



HOUSING & ECONOMIC DEVELOPMENT COMMITTEE

DATE: Tuesday, January 18, 2022

TIME: 5:30 PM

LOCATION: Via Zoom

Virtual meetings are allowed using emergency legislation approved by LD 2167; 1 M.R.S. §403A, that authorizes cities and towns to conduct meetings online.

Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live, a recording will be uploaded to portlandmaine.gov/livestream the next day. For public comment, you will need to use the "raise your hand" feature. To raise your hand via the telephone, please hit *9. You will be unmuted by the host when it is time for public comment.

1. Zoom Public Meeting Information

- a. Please click the link below to join the webinar:
<https://us06web.zoom.us/j/82356283380?pwd=UmNvTEVPbFdDY0lvZGhPckptTC8ydz09>
Passcode: 486622
Or One tap mobile :
US: +13017158592,,82356283380# or +13126266799,,82356283380#
Or Telephone:
Dial(for higher quality, dial a number based on your current location):
US: +1 301 715 8592 or +1 312 626 6799 or +1 646 558 8656 or +1 253 215 8782 or +1 346 248 7799 or +1 720 707 2699
Webinar ID: 823 5628 3380
International numbers available: <https://us06web.zoom.us/j/82356283380?pwd=UmNvTEVPbFdDY0lvZGhPckptTC8ydz09>

2. Review and accept Minutes from January 4, 2022, Committee meeting.

- a. See attached draft Minutes.

3. Review and vote to recommend to the City Council the HUD Citizen Participation Plan. NOTE: Public comment to be taken on this item - Mary Davis

- a. See attached Plan.

4. Finalize Housing and Economic Development Committee priorities for 2022 - Mary Davis

- a. See attached Memorandum, 2022 Committee Proposed Work Plan and Draft Meeting schedule.
- b. See attached Memorandum, Committee direction regarding housing policy priorities for 2022.

5. Executive Session: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee will go into executive session to provide staff guidance related to Fort McKinley Hospital property sale opportunity (a tax-acquired property).

- a. See confidential Memo from Greg Mitchell.

Next Meeting Date: February 1, 2022

Minutes

Remote Housing and Economic Development Committee

January 4, 2022

NOTE: This meeting was held via Zoom and can be viewed at this link:

<http://www.portlandmaine.gov/1695/Economic-Development-Committee> These

Minutes provide a record of those in attendance, general discussion taking place, and motions made.

A remote meeting of the Housing and Economic Development Committee (HEDC) of the Portland City Council was held on Tuesday, January 4, 2022, at 5:30 p.m. via Zoom. Present from the Committee were Chair Pious Ali, and members Councilors Tae Chong, Roberto Rodriguez, and Councilor Andrew Zarro. Also present from the City Council was Councilor April Fournier. Present from the City staff were Acting Housing and Economic Development Department Director Mary Davis, Corporation Counsel Michael Goldman, Chief of Staff Dena Libner, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent.

Item #1: Zoom Meeting Information – no Committee action required.

Item #2: Review and vote on November 16, 2021, draft meeting Minutes.

On motion made by Councilor Zarro, seconded by Councilor Chong, the Committee voted unanimously (4-0) to accept the Minutes as published.

Item #3: Discussion of Housing and Economic Development Committee priorities for 2022

The Committee held a discussion regarding how often they would like to meet each month. The consensus of the Committed, based on anticipated workload, is twice monthly meetings.

Mary Davis introduced the Housing and Economic Development Committee Work Plan priorities for 2022. Items for discussion were broken down into five categories; Economic Development Policy; Affordable Housing Policy; Affordable Housing Public-Private Partnerships; Real Estate Transactions; and Annual Reports and Actions. The Committee held a discussion on priorities. Councilor Chong indicated an interest in adding a focus on increasing economic opportunities, and developing more housing to the Work Plan. Councilor Zarro's priorities include a review of procurement spending, a review of the relationship between the City and Portland Buy Local, revisiting the outdoor dining ordinance, and conducting a discussion on wages and the importance of workers against the backdrop of the impact of the Citizens Referendum. Councilor Rodriguez would like the HEDC to play a role in creating a working environment that represents the labor force through bargaining negotiation initiatives. Councilor Chong added HEDC may need to invite speakers to address any impact from adoption by the State legislation of recommendations from the report *Commission to Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions*, and he would also like the HEDC to explore workforce development with agencies that serve underserved populations to introduce them to higher paying jobs. This may include inviting local business representatives to discuss their hiring needs to the HEDC. Chair Ali would like to look into using underutilized municipal buildings for job training through Adult Education to develop skills that open opportunities to hirer paying jobs.

The Committee asked Michael Goldman to explain which Committee should address bargaining negotiations. Per Mr. Goldman, the Council assigns projects to committees. In regards to bargaining negotiations, the Council, Acting City Manager and Human Resource Department should have that discussion. In regards to economic development and the Tourism

Improvement District, staff intends to add this to the Work Plan with a possible recommendation to the Council.

The Committee discussed the format for future meetings agreeing that if the Work Plan includes a presentation from staff, then staff will begin the meeting with their presentation. Committee members agreed they would not place strict time limits on how long a member may discuss an item. Agenda items will not include a start nor end time for discussion.

Mary Davis asked for Committee direction and consideration regarding items for the January 18 agenda. She also requested direction from the Committee on where to place possible agenda items (as noted in her memo *2022 Housing and Economic Development Committee Proposed Work Plan*) into the 2022 Work Plan.

Councilor Chong indicated that when items appear on the agenda around a topic, he would like speakers invited to the HEDC meeting to add to the discussion. Meetings should have a common theme instead of moving from one topic of discussion to another. For example, when affordable housing on the agenda that would be an opportunity to bring in speakers to discuss the housing crisis, and how the citizen referendum has slowed down housing projects within Portland. When the waterfront dredging project is on the agenda, that would be an opportunity to discuss waterfront economic and workforce opportunities.

Michael Goldman noted placement of items on the agenda and whether to bring in speakers is a discussion that should be held between the Committee, the Committee Chair and the staff member assigned to the Committee.

The Committee held a discussion on determining the process for inviting speakers to their meetings. Chair Ali indicated members should bring their requests to him and he would work with staff on their behalf.

Chair Ali opened the meeting to public comment. Seeing no one, the public comment period was closed.

Staff asked if the Committee had any questions regarding the Work Plan list or the draft agenda schedule, or any questions regarding the guidelines and priorities for the allocation of City resources that will be incorporated into the 2022 Affordable Housing Development application.

A motion was made by Councilor Zarro to adjourn the meeting, seconded by Councilor Rodriguez. Chair Ali asked for a vote on the motion and it passed unanimously (4-0) to adjourn the meeting at approximately 6:36 p.m.

Respectively submitted, Victoria Volent



CITY OF PORTLAND
Housing and Economic Development Department
Housing and Community Development Division

TO: Councilor Ali, Chair
Members of the Housing and Economic Development Committee

FROM: Heidi McCarthy, Compliance Officer

DATE: January 14, 2022

SUBJECT: HUD Citizen Participation Plan Updates

I. SUMMARY

The Housing and Community Development Division (HCD) has revised the Citizen Participation Plan to better align with federal requirements and best practices of public notice and participation.

II. AGENDA DESCRIPTION

The Citizen Participation Plan is a required document that outlines the methods and procedures by which the City will communicate with the public regarding the federal programs administered by HCD. Federal requirements necessitate updates to the Citizen Participation Plan to increase accessibility for low-income individuals and those with limited English proficiency; additional changes are also proposed.

III. BACKGROUND

The Citizen Participation Plan is a required document that outlines the methods and procedures by which the City will communicate with the public regarding the federal programs administered by HCD. These programs include, but are not limited to, the Community Development Block Grant (CDBG), HOME, and Emergency Solutions Grant (ESG).

Annually, the City creates an Annual Action Plan (AAP) and reports to HUD on results and impact of the AAP through the Consolidated Annual Performance and Evaluation Report (CAPER). Every five years, the City develops a Consolidated Plan which outlines the needs of the community and proposed activities to address them through available funding. Each of these documents requires the City to facilitate significant public participation during the development process as defined in the Citizen Participation Plan.

The most recent updates to the Citizen Participation Plan are as follows:

1. More comprehensive procedures and methods for providing outreach to individuals who need accommodation or translation for meetings and documents, including a translation page. The City's Office of Economic Opportunity contributed significantly

to this revision.

2. Specific due dates outlined for important and vital documents to ensure compliance.
3. Streamlined definition of substantial amendment. Previously, the definition included different percentage thresholds for each program. The new definition uses the same percentage for each program to trigger a substantial amendment process.
4. Generic language for future national emergency or disaster in Section 10. This update may allow the City to immediately implement updated HUD requirements in times of national emergency without first requiring updates to the Citizen Participation Plan, allowing for more timely response to the emergency and faster dissemination of emergency funding.
5. Updated methods for disseminating plans and documents. This change clarifies how and where individuals may access plans and reports. Once the City has completed the website review and overhaul of the current website, the link in Section 8 will be updated.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

The Citizen Participation Plan directly affects the City's eligibility for continued federal HUD funding. This funding is used to provide public services to unhoused individuals, development of community assets, and affordable housing.

V. FINANCIAL IMPACT

There is no additional financial impact with this item; however, this item directly affects eligibility for federal HUD funding.

VI. STAFF ANALYSIS AND BACKGROUND

Staff recommends that HECD recommend these changes to Council.

VII. LIST ATTACHMENTS

1. Citizen Participation Plan with proposed updates
2. 24 CFR §91.105, the regulation under which the Citizen Participation Plan is governed.

City of Portland, Maine

Citizen Participation Plan



Adopted as Part of the 2022-2026 Consolidated Annual Action Plan
_____, 2022

Prepared by
Housing & Community Development Division
City of Portland, Maine
389 Congress Street Room 312
Portland, ME 04101



Please contact the following person to request an interpreter or accommodation for the document: Heidi McCarthy, hmccarthy@portlandmaine.gov, 207-756-8089.

Fadlan la xiriir qofkan hoose si aad u condsato turjumaan ama tixgelin xiliga dukumeenti: Heidi McCarthy, hmccarthy@portlandmaine.gov, 207-756-8089.

Por favor entre em contato com a seguinte pessoa para solicitar um intérprete ou acomodação para o documento: Heidi McCarthy, hmccarthy@portlandmaine.gov, 207-756-8089.

Heidi McCarthy, hmccarthy@portlandmaine.gov, 207-756-8089:

يرجى الاتصال بالشخص التالي لطلب مترجم أو تسهيلات لحضور الاجتماع: الاسم والبريد الإلكتروني ورقم الهاتف

Pour obtenir un interprète ou faciliter le document, veuillez contacter la personne suivante: Heidi McCarthy, hmccarthy@portlandmaine.gov, 207-756-8089.

Para solicitar un intérprete o una adaptación especial para el documento comuníquese con esta persona: Heidi McCarthy, hmccarthy@portlandmaine.gov, 207-756-8089.

CITY OF PORTLAND, MAINE

Citizen Participation Plan

The Citizen Participation Plan ("Plan") describes the processes and procedures the City follows in order to ensure that there is an effective public process for the allocation of Community Development Block Grant and other U.S. Department of Housing and Urban Development (HUD) Program funds. These programs are meant to benefit the community, particularly low-to moderate-income Portland residents. Thus, the Plan encourages input and participation from all citizens, non-profit organizations, and other interested parties, especially low-income persons, especially those who live in areas where CDBG funds will primarily be used, public housing residents, and organizations representing these groups. This plan is in accordance with federal regulations at 24 CFR Part 91.105.

The Plan also details how residents can access meetings, information, and public hearings on the Consolidated Housing and Community Development Plan, the Annual Action Plan, the Consolidated Annual Performance and Evaluation Reports (CAPER), and the Analysis of Impediments to Fair Housing. Housing and Community Development (HCD) Division staff, who administer the programs, are available to provide technical assistance and facilitate other accommodation requests, such as translation for limited English speakers or access and accommodation for disabled persons.

This Plan is posted on the City website to allow for access by the public. Interested parties may also request a copy of the Plan by contacting the City of Portland Housing and Community Development Division.

The City of Portland Housing and Community Development Division can be reached at:

Portland City Hall
389 Congress Street
Room 312
Portland, ME 04101
(207) 874-8711
TTY: (207) 874-8936

Department and program information can also be found at:
<https://www.portlandmaine.gov/775/Housing-and-Community-Development>

Draft Citizen Participation Plan last updated 1-13-2022

**where this symbol indicates, see Section 10 for guidance.*

1. Public Reports and Comment Period

The City of Portland prepares the following plans and reports about its HUD programs.

Document	Description	Report Due Dates	Length of Public Comment Period
Five Year Consolidated Plan	Five year plan that identifies City goals, priorities, and needs, and strategies to address them.	May 17: 45 days prior to beginning of fiscal year	30 days*
Annual Action Plan	Describes activities the City will fund and undertake in the coming year in order to benefit low- to moderate-income residents, in accordance with the Consolidated Plan.	May 17: 45 days prior to beginning of fiscal year	30 days*
Consolidated Annual Performance and Evaluation Report (CAPER)	Describes activities undertaken in the previous year.	September 29 : 90 days after close of program year	15 days*
Analysis of Impediments to Fair Housing	Outlines actions to overcome barriers, impediments, or discrimination that Portland residents face in accessing and maintaining housing.	Updated as necessary, aligned with Consolidated Plan	30 days

Prior to adoption of the Five Year Consolidated Plan, Annual Action Plans, and Consolidated Annual Performance Evaluation Reports (CAPER), the City will make available on the City website and in a local newspaper a summary of the plan or report for review by citizens, including low-and moderate-income persons residing in the areas in which CDBG funds will predominantly be used; organizations, including businesses, developers, community groups, and faith-based entities; public agencies including the Cumberland County Community Development office, the Continuum of Care, and Portland Housing Authority; and any other interested parties. The report or summary will contain information regarding the purpose and process for developing the Plan, the anticipated funding to be received and the range of activities that are eligible and either planned to be or have been undertaken as well as the locations where copies of the plan or report are available. These publications will commence a 30 day comment period for the Five Year Plan and the Annual Action Plan, and a 15 day comment period for the Consolidated Annual Performance Evaluation Report (CAPER).*

An electronic version of the Plan is available for review on the City of Portland's website. Hard copies can be made available for review at City Hall in the Housing and Community Development Office, Room 312 or at the Cumberland County Community Development office at 142 Federal Street.* The City will provide a reasonable number of free copies of the Consolidated Plan and Analysis of Impediments when requested by citizens or community groups.

Draft Citizen Participation Plan last updated 1-13-2022

**where this symbol indicates, see Section 10 for guidance.*

2. Public Hearings and Meetings*

The City holds a number of public hearings each year to obtain citizen input and comments on the Consolidated Plan, the Annual Action Plan, and the Consolidated Annual Performance Evaluation Report (CAPER). All such meetings and hearings are held in accessible, public locations, primarily City Hall and other community centers.

A) City Council Meetings - Two public hearings are held in March or April, prior to the City Council's adoption of the Consolidated Plan and the Annual Action Plan. The City notifies the general public of the time and dates of the hearing by placing a legal advertisement in the local daily paper at least 15 days prior to the date of the hearing. The notice contains at a minimum the amount of assistance the City expects to receive (including grant funds and program income); the range of activities that may be undertaken; the estimated amount of funding that will benefit persons of low- and moderate-income; the City's plans to minimize displacement of persons and to assist any persons displaced; and when and how the City will make this information available. The City also notifies public agencies, organizations and other stakeholders through email or mail at least 15 days prior to the hearing. Information is also always posted on the City of Portland's website.

B) District Meetings - The City of Portland holds 5 District meetings in the fall. These meetings are open to every resident and neighborhood in Portland. The meetings are held virtually or in accessible locations such as community centers, City Hall, or public school buildings and feature presentations describing the CDBG, HOME, and ESG programs, Citizen Participation Plan, eligible activities, and funded projects that have been completed in these neighborhoods. Staff are available for feedback or questions from the public regarding CDBG, HOME, ESG and the lead grant. In addition, staff makes informational packets available and offers a signup opportunity for interested parties to be added to the Community Development listserv. Advertisement and outreach for these meetings are provided by City of Portland social media, press releases, and email listservs of neighborhood organizations and interested parties.

C) Housing and Economic Development Committee Meetings - This committee meets twice a month and regularly addresses HUD program topics. Meetings are noticed and open to the public.

3. CDBG Priority Task Force

The CDBG Priority Task Force is a Council appointed Task Force which convenes prior to the submission of a new consolidated plan to develop priorities and provide advice to the City Manager and City Council on the Housing and Community Development needs of the City, including social, economic, housing, and neighborhood revitalization needs. This

group consists of 9-16 Portland residents representing diverse and relevant populations and expertise, including but not limited to: a) residents of eligible neighborhoods; b) low and moderate income Portland residents; c) renters and d) landlords; individuals who are knowledgeable about e) planning and f) economic development; g) public service representatives from various areas of expertise; h) Portland housing authority (resident or worker); i) senior citizens; j) young persons (under 30); k) immigrant and refugees; and an individual with a l) disability. All meetings of the Task Force are noticed and open to the public. A new Task Force is appointed every three to five years. Task Force membership lasts the duration of the priority setting process for that year, approximately six months to one year.

4. CDBG Annual Allocation Committee

The CDBG Annual Allocation Committee is a Council appointed volunteer Committee responsible for reviewing and scoring Community Development applications and making funding recommendations to the City Manager and the City Council each year. All Committee meetings are open to the public. Dates, agendas, backup materials, and minutes are posted to the City of Portland's website and updated regularly during the months the Committee meets, typically December through February. The CDBG Allocation Committee is a standing Committee where members serve three year terms. This group consists of 7-10 Portland residents, who serve staggered three year terms. Conflicts of interest are minimized; no staff, board members, contractors or anyone receiving financial gain from an applicant's proposal can participate on this committee. The City advertises one to two times per year (in the local newspaper and the web site, etc.) for persons interested in being on this Committee.

5. Technical Assistance and Outreach

The City's Housing and Community Development Division provides technical assistance to any organization, agency, or individual serving or interested in serving low income neighborhoods and persons for the purpose of developing proposals to request funding under Housing and Community Development programs and activities. Technical assistance is available upon request from the HCD Division at City Hall, Room 312, 389 Congress Street, or by calling (207) 874-8731.

6. Access to Records and Information*

Residents, public agencies and other interested parties will also have access to records relating to the City's Consolidated Plan, proposed activities, HUD-provided data, and the use of funding over the previous five years. Records are available at the Housing and Community Development office, Room 312 City Hall, 389 Congress Street and on the City's website.

A) Procedures for Assessing Language Needs

The City of Portland assesses its Language Access needs through its Office of Economic Opportunity (OEO). OEO is charged with ensuring Portland's racial, ethnic and linguistic minorities reach their full potential in Portland. As a result, OEO has strong partnerships to help the City assess Portland's most spoken languages among limited English proficient populations (LEPs). Portland Public Schools Home Language Survey is the most up to date language data available. OEO checks in regularly with their Language Access coordinator to review trends and co-inform one another on information of new arrivals. Additionally, Portland Adult Education, Portland's largest English language acquisition hub, also collects native language information.

The City of Portland Family Shelter runs a daily report on new arrivals, which captures country of origin and language, and OEO captures native or preferred language in all its initiatives and programs. Lastly, Census data and other report generators, such as the New American Economy, serve as a useful resource.

B) Need for Translation of Notices and Other Vital Documents

Translation and interpretation services for non-English speaking persons will be made available for materials or meetings upon request. It is the City's policy to provide any and all reasonable accommodations for its disabled or non-English speaking citizens to access any materials, presentations, or locations relative to City programs, including providing oral, Braille, electronic, or large print copies of materials for the visually impaired; and delivering copies of materials to the homebound. Such requests can be made by contacting the Housing and Community Development division at City Hall, Room 312, 389 Congress Street, or by calling (207) 874-8731, TTY: (207) 874-8936.

In addition it is the City's policy that "Vital documents" will be translated when a significant number or percentage of the population eligible to be served, or likely to be directly affected by the program/activity, needs services or information in a language other than English to communicate effectively.

The Office of Economic Opportunity (OEO) supports City departments in their translation of vital documents. OEO also engages with Department decision-makers to encourage the collection of primary native language data in their daily operations to ensure documents are translated to the unique languages spoken by their specific constituents.

OEO recommends Departments identify their vital documents and translate them into the five most spoken languages in Portland: Arabic, French, Portuguese, Spanish and Somali. This process often involves a discussion on Plain Language and a modification or alteration of form, notices, or other documents to ensure they follow Plain Language principles.

The City of Portland has standard contracts with several in-person language interpretation agencies as well as telephonic ones. Virtual meetings have also provided the option to offer simultaneous interpretation at any public hearings. Through the City's Minority Health program, any City Department, Division, or employee can contract with one of the City's Community Health Outreach Workers, who offer interpretation, translation, and cross-cultural services. The team at OEO has experience facilitating public meetings, in person and virtually, where simultaneous interpretation has been offered to any participant in the five most spoken languages in Portland.

7. Comments and Complaints*

The City considers all comments, whether received orally or in writing, during the development of the Consolidated Plan and related Annual Action Plans and Consolidated Annual Performance and Evaluation Reports (CAPER). Comments or Complaints can be submitted orally at public meetings or in written form at any time. A summary of the comments received in the preparation of the Plan will be attached to the final Consolidated Plan, Annual Action Plan, amendment to the Plan, or Consolidated Annual Performance and Evaluation Report.

The City responds to all substantive complaints regarding the Consolidated Plan, or activities implemented under the Plan, in writing within 15 working days of receiving said complaints where feasible. If a complainant remains unsatisfied, staff brings the complaint to the City Manager for review and resolution. If warranted, the City Manager may refer the complaint to the City Council for review and resolution. All comments and complaints should be directed either in writing or orally to the City's Housing and Community Development Program Manager (207) 874-8731, City Hall, Room 312, 389 Congress Street, Portland, ME 04101 or the Director of Housing and Community Development (207) 874-8711, City Hall, Room 312, 389 Congress Street, Portland, ME 04101.

8. City of Portland Website and Social Networking Sites

The City of Portland's website provides up-to-date information on the Community Development Block Grant, HOME Program, and Emergency Solutions Grant. The CDBG application, process, dates, and additional information is listed and updated regularly on the website. The current Citizen Participation Plan, Consolidated Plan, Consolidated Annual Performance and Evaluation Reports (CAPER), and Annual Action Plans are available on the web site all year. The website can be accessed at <https://portlandmaine.gov/762/Plans-Reports>. The City will also ensure that electronic materials are accessible via screen reader technology for the visually impaired and that translation of website content is available. The City of Portland has multiple social network

accounts via Facebook, Instagram, and Twitter. Housing and Community Development news is posted here regularly.

9. Amendments to the Consolidated Housing and Community Development Plan

Due to changes in local needs during the program year, amendments and revisions to the Consolidated Plan may be necessary. Some of them may be substantial amendments that significantly alter the priorities of the 5-year strategy and the activities within the Annual Plan. Most will be minor in nature, requiring only insignificant shifting of funds from one account to another in order to complete an approved activity. This may include the reprogramming of contingency or surplus funds. The following criteria will govern how the City implements substantial amendments and funding revisions.

A) Minor amendments. Unless a change qualifies as a substantial amendment (see below) the City Manager or his/her designee will amend the City's approved plan whenever one of the following decisions is made:

- (1) To make a change in its allocation priorities, including between eligible activities within a program, or a change in the method of distribution of funds; or
- (2) To carry out an activity, using funds from any program covered by the consolidated plan (including program income), not previously described in the action plan; or
- (3) To change the purpose, scope, location, or beneficiaries of an activity.

Each minor amendment must be authorized by the City Manager or his designee, made available to the public, and submitted to HUD; the amendment may be implemented immediately after completing these steps. All amendments will be made public by posting on the City of Portland's website, and made available during business hours in the Housing and Community Development Division, City Hall, Room 312. Additionally, members of the public may request a copy of any proposed minor amendment via email request to the City's CDBG Program Manager.

B) Substantial amendment*. A substantial amendment to the Consolidated Plan or Annual Action Plan is defined by the City as a transfer of funds between two or more approved Plan activities that is greater than 7% of the grant allocation by which the program activity is funded, including changes in the use of CDBG funds between eligible activities.

Substantial amendments to the Plan will be presented to the Portland City Council for its review and approval. This meeting will be advertised as a City Council action item; be open to the public; and provide opportunity for public comment in writing or orally on the proposed substantial amendment. The public will be notified of all substantial amendments by an advertisement in a local newspaper and a posting on the City's web site. The advertising of the substantial amendment will begin a thirty (30) day

citizen review and comment period. The City will consider any comments or views of citizens received in writing or orally during the comment period, and will attach to the amendment a summary of any comments or views, with explanations of those not accepted. The City Manager will submit to HUD a letter authorizing the amendment after the thirty-day comment period and City Council approval, and will implement the amendment at that time.

C) Funding revisions. Funding revisions are defined as minor programmatic or budgeting changes necessary to fund new activities or secure adequate funding to complete approved activities. For this purpose, a “new activity” is defined as a project or projects not originally submitted for funding during that year’s CDBG program application process. Funding revisions will be addressed in the following ways.

(1) Any new activities proposed to be funded in an amount less than the substantial amendment thresholds stated above, with either reprogrammed contingency, unallocated funds, additional funds allocated by HUD, or with monies from another account will require approval from the City Manager.

(2) Any fund transfer from one approved activity to another in an amount less than the substantial amendment thresholds stated above, but in an amount that increases the underfunded activity *in excess of* 25% of the original allocation shall be approved by the Director of Housing and Economic Development.

(3) Any fund transfer from one approved activity to another in an amount less than the substantial amendment thresholds stated above, but in an amount that increases the underfunded activity *less than* 25% of the original allocation shall be approved by the Department’s Housing and Community Development Director.

10. Times of National Emergency/Disaster

In times of national emergency with authorization from HUD, the public hearings and meetings to provide comment on the Consolidated Plan, Annual Action Plans, and Substantial Amendments to the Annual Action Plan, may be done virtually with reasonable notice to the public.

A) Public Hearings and Meetings

Due to the Coronavirus outbreak and the passage of the CARES Act of 2020 HUD has authorized new guidelines surrounding public hearings and meetings. The City will post a notice of public hearing in a paper of regular circulation no less than 5 days prior to the meeting. Meetings and public hearings may be held virtually.

In future times of national emergency or disaster, the City of Portland will follow any revised requirements and waivers authorized by HUD regarding public hearings and meetings.

B) Public Reports

Due to the Coronavirus outbreak and the passage of the CARES Act of 2020, or in future times of national emergency or disaster, hard copies of reports may not be available. All reports will be available electronically via the City's website.

C) Access to Records and Information

Due to the Coronavirus outbreak and the passage of the CARES Act of 2020, or in future times of national emergency or disaster, hard copies of reports may not be available. All records will be available electronically via the City's website.

Every effort will be made to accommodate those seeking interpretation services and accommodations for persons with disabilities.

D) Comments and Complaints

Due to the Coronavirus outbreak and the passage of the CARES Act of 2020 the public comment period shall be no less than 5 days. In future times of national emergency or disaster, the City of Portland will follow any revised requirements and waivers authorized by HUD regarding public comments.

E) Substantial Amendments to the Consolidated Plan or Action Plan

Due to the Coronavirus outbreak and the passage of the CARES Act of 2020, in lieu of a 30 day comment period, which is otherwise required, a public comment period for expedited substantial amendments shall be no less than 5 days. In future times of national emergency or disaster, the City of Portland will follow any revised requirements and waivers authorized by HUD regarding substantial amendments.

For FY 2019-2020 funding, the City of Portland may provide a 5-day notice for public comment as allowed under a waiver of certain regulatory requirements provided by the U.S. Department of Housing and Urban Development.



Displaying title 24, up to date as of 1/12/2022. Title 24 was last amended 11/08/2021.

Title 24 - Housing and Urban Development

Subtitle A - Office of the Secretary, Department of Housing and Urban Development

Part 91 - Consolidated Submissions for Community Planning and Development Programs

Subpart B - Citizen Participation and Consultation

§ 91.105 Citizen participation plan; local governments.

(a) ***Applicability and adoption of the citizen participation plan.***

- (1) The jurisdiction is required to adopt a citizen participation plan that sets forth the jurisdiction's policies and procedures for citizen participation. (Where a jurisdiction, before August 17, 2015, adopted a citizen participation plan it, will need to amend the citizen participation plan to comply with provisions of this section.)
- (2) ***Encouragement of citizen participation.***
 - (i) The citizen participation plan must provide for and encourage citizens to participate in the development of the consolidated plan, any substantial amendment to the consolidated plan, and the performance report. These requirements are designed especially to encourage participation by low- and moderate-income persons, particularly those persons living in areas designated by the jurisdiction as a revitalization area or in a slum and blighted area and in areas where CDBG funds are proposed to be used, and by residents of predominantly low- and moderate-income neighborhoods, as defined by the jurisdiction. A jurisdiction must take appropriate actions to encourage the participation of all its citizens, including minorities and non-English speaking persons, as provided in paragraph (a)(4) of this section, as well as persons with disabilities.
 - (ii) The jurisdiction shall encourage the participation of local and regional institutions, Continuums of Care, and other organizations (including businesses, developers, nonprofit organizations, philanthropic organizations, and community-based and faith-based organizations) in the process of developing and implementing the consolidated plan.
 - (iii) The jurisdiction shall encourage, in conjunction with consultation with public housing agencies, the participation of residents of public and assisted housing developments (including any resident advisory boards, resident councils, and resident management corporations) in the process of developing and implementing the consolidated plan, along with other low-income residents of targeted revitalization areas in which the developments are located. The jurisdictions shall make an effort to provide information to the PHA about affirmatively furthering fair housing strategy, and consolidated plan activities related to its developments and surrounding communities so that the PHA can make this information available at the annual public hearing(s) required for the PHA Plan.
 - (iv) The jurisdiction should explore alternative public involvement techniques and quantitative ways to measure efforts that encourage citizen participation in a shared vision for change in communities and neighborhoods, and the review of program performance; e.g., use of focus groups and the Internet.
- (3) ***Citizen comment on the citizen participation plan and amendments.*** The jurisdiction must provide citizens with a reasonable opportunity to comment on the original citizen participation plan and on substantial amendments to the citizen participation plan, and must make the citizen participation plan public. The citizen participation plan must be in a format accessible to persons with disabilities, upon request.
- (4) The citizen participation plan shall describe the jurisdiction's procedures for assessing its language needs and identify any need for translation of notices and other vital documents. At a minimum, the citizen participation plan shall require that the jurisdiction take reasonable steps to provide language assistance to ensure meaningful access to participation by non-English-speaking residents of the community.

(b) ***Development of the consolidated plan.*** The citizen participation plan must include the following minimum requirements for the development of the consolidated plan:

- (1)
 - (i) The citizen participation plan must require that at or as soon as feasible after the start of the public participation process the jurisdiction will make the HUD-provided data and any other supplemental information the jurisdiction plans to incorporate into its consolidated plan available to its residents, public agencies, and other interested parties. The jurisdiction may make the HUD-provided data available to the public by cross-referencing to the data on HUD's website.
 - (ii) The citizen participation plan must require that, before the jurisdiction adopts a consolidated plan, the jurisdiction will make available to residents, public agencies, and other interested parties information that includes the amount of assistance the jurisdiction expects to receive (including grant funds and program income) and the range of activities that may be undertaken, including the estimated amount that will benefit persons of low- and moderate-income. The citizen participation plan also must set forth the jurisdiction's plans to minimize displacement of persons and to assist any persons displaced, specifying the types and levels of assistance the jurisdiction will make available (or require others to make available) to persons displaced, even if the jurisdiction expects no displacement to occur.
 - (iii) The citizen participation plan must state when and how the jurisdiction will make this information available.

- (2) The citizen participation plan must require the jurisdiction to publish the proposed consolidated plan in a manner that affords its residents, public agencies, and other interested parties a reasonable opportunity to examine its content and to submit comments. The citizen participation plan must set forth how the jurisdiction will publish the proposed consolidated plan and give reasonable opportunity to examine each document's content. The requirement for publishing may be met by publishing a summary of each document in one or more newspapers of general circulation, and by making copies of each document available on the internet, on the jurisdiction's official government website, and as well at libraries, government offices, and public places. The summary must describe the content and purpose of the consolidated plan and must include a list of the locations where copies of the entire proposed document may be examined. In addition, the jurisdiction must provide a reasonable number of free copies of the plan to residents and groups that request it.
 - (3) The citizen participation plan must provide for at least one public hearing during the development of the consolidated plan. See paragraph (e) of this section for public hearing requirements, generally.
 - (4) The citizen participation plan must provide a period, not less than 30 calendar days, to receive comments from residents of the community on the consolidated plan.
 - (5) The citizen participation plan shall require the jurisdiction to consider any comments or views of residents of the community received in writing, or orally at the public hearings, in preparing the final consolidated plan. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons why, shall be attached to the final consolidated plan.
- (c) **Consolidated plan amendments.**
- (1) The citizen participation plan must specify the criteria the jurisdiction will use for determining what changes in the jurisdiction's planned or actual activities constitute a substantial amendment to the consolidated plan. (See § 91.505.) The citizen participation plan must include, among the criteria for a substantial amendment, changes in the use of CDBG funds from one eligible activity to another.
 - (2) The citizen participation plan must provide community residents with reasonable notice and an opportunity to comment on substantial amendments to the consolidated plan. The citizen participation plan must state how reasonable notice and an opportunity to comment will be given. The citizen participation plan must provide a period, of not less than 30 calendar days, to receive comments on the consolidated plan substantial amendment before the consolidated plan substantial amendment is implemented is submitted to HUD for review.
 - (3) The citizen participation plan shall require the jurisdiction to consider any comments or views of residents of the community received in writing, or orally at public hearings, if any, in preparing the substantial amendment of the consolidated plan. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons why, shall be attached to the substantial amendment of the consolidated plan.
- (d) **Performance reports.**
- (1) The citizen participation plan must provide citizens with reasonable notice and an opportunity to comment on performance reports. The citizen participation plan must state how reasonable notice and an opportunity to comment will be given. The citizen participation plan must provide a period, not less than 15 days, to receive comments on the performance report that is to be submitted to HUD before its submission.
 - (2) The citizen participation plan shall require the jurisdiction to consider any comments or views of citizens received in writing, or orally at public hearings in preparing the performance report. A summary of these comments or views shall be attached to the performance report.
- (e) **Public hearings -**
- (1)
 - (i) **Consolidated plan.** The citizen participation plan must provide for at least two public hearings per year to obtain residents' views and to respond to proposals and questions, to be conducted at a minimum of two different stages of the program year. Together, the hearings must address housing and community development needs, development of proposed activities, proposed strategies and actions for affirmatively furthering fair housing, and a review of program performance.
 - (ii) **Minimum number of hearings.** To obtain the views of residents of the community on housing and community development needs, including priority nonhousing community development needs and affirmatively furthering fair housing, the citizen participation plan must provide that at least one of these hearings is held before the proposed consolidated plan is published for comment.
 - (2) The citizen participation plan must state how and when adequate advance notice will be given to citizens of each hearing, with sufficient information published about the subject of the hearing to permit informed comment. (Publishing small print notices in the newspaper a few days before the hearing does not constitute adequate notice. Although HUD is not specifying the length of notice required, it would consider two weeks adequate.)
 - (3) The citizen participation plan must provide that hearings be held at times and locations convenient to potential and actual beneficiaries, and with accommodation for persons with disabilities. The citizen participation plan must specify how it will meet these requirements.
 - (4) The citizen participation plan must identify how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

- (f) **Meetings.** The citizen participation plan must provide residents of the community with reasonable and timely access to local meetings, consistent with accessibility and reasonable accommodation requirements, in accordance with section 504 of the Rehabilitation Act of 1973 and the regulations at 24 CFR part 8; and the Americans with Disabilities Act and the regulations at 28 CFR parts 35 and 36, as applicable.
- (g) **Availability to the public.** The citizen participation plan must provide that the consolidated plan as adopted, consolidated plan substantial amendments, and the performance report will be available to the public, including the availability of materials in a form accessible to persons with disabilities, upon request. The citizen participation plan must state how these documents will be available to the public.
- (h) **Access to records.** The citizen participation plan must require the jurisdiction to provide residents of the community, public agencies, and other interested parties with reasonable and timely access to information and records relating to the jurisdiction's consolidated plan and use of assistance under the programs covered by this part during the preceding 5 years.
- (i) **Technical assistance.** The citizen participation plan must provide for technical assistance to groups representative of persons of low- and moderate-income that request such assistance in developing proposals for funding assistance under any of the programs covered by the consolidated plan, with the level and type of assistance determined by the jurisdiction. The assistance need not include the provision of funds to the groups.
- (j) **Complaints.** The citizen participation plan shall describe the jurisdiction's appropriate and practicable procedures to handle complaints from its residents related to the consolidated plan, amendments, revisions, and the performance report. At a minimum, the citizen participation plan shall require that the jurisdiction must provide a timely, substantive written response to every written resident complaint, within an established period of time (within 15 working days, where practicable, if the jurisdiction is a CDBG grant recipient).
- (k) **Use of citizen participation plan.** The jurisdiction must follow its citizen participation plan.

(Approved by the Office of Management and Budget under control number 2506-0117)

[60 FR 1896, Jan. 5, 1995; 60 FR 10427, Feb. 24, 1995, as amended at 71 FR 6962, Feb. 9, 2006; 76 FR 75967, Dec. 5, 2011; 80 FR 42360, July 16, 2015; 81 FR 91011, Dec. 16, 2016; 85 FR 47906, Aug. 7, 2020]



CITY OF PORTLAND
Housing and Economic Development Department
Mary P. Davis, Interim Director

MEMORANDUM

To: Housing and Economic Development Committee

From: Mary P. Davis, Interim Director

Date: December 29, 2021

Subject: 2022 Housing and Economic Development Committee Proposed Work Plan

Attached for your review and discussion is a proposed Committee Work Plan and draft Work Plan Schedule for the year, both subject to updates, additions, and changes throughout the year dependent on issues as they may arise. Also attached is a Memorandum requesting Committee direction regarding housing policy priorities for 2022.

The proposed Committee Work Plan is divided into five main categories, Economic Development Policy, Affordable Housing Policy and Budgets, Affordable Housing Public-Private Partnerships, Real Estate Transactions and Annual Reports and Actions. Items listed in each category are in no particular order, except for those items identified as annual committee work. At your first Committee meeting of the year on January 4, 2022, staff is looking for direction on items that are a priority for Committee members.

Staff looks forward to discussing the 2022 Committee proposed Work Plan with you at your meeting next week.



CITY OF PORTLAND
Housing and Economic Development Department

2022 Housing and Economic Development Committee Work Plan
DRAFT for January 4, 2022, Committee Meeting

Below is the draft Housing and Economic Development Committee (HEDC) Work Plan for Calendar Year 2022, submitted for review at the January 4, 2022, HEDC meeting, with the caveat that it may evolve throughout the year based on issues arising.

	Annual Committee Work	Staff Recommendations	Committee Members' Priorities
ECONOMIC DEVELOPMENT POLICY			
City/School-wide approach to procurement focusing on locally owned businesses (Phoenix AZ as example) (carried over from the 2021 work plan)			AZ
Explore Neighborhood Identity/Branding (carried over from the 2021 work plan)			TC
Review Tax Increment Financing (TIF) investment in workforce training for FY2023 funding.		X	

Explore TIF investment options to increase annual TIF support to Creative Portland (CP) (raise the funding floor from \$155k to \$200k) and to support performing art centers and the arts eco-system, which makes Portland unique as a destination for visitors and local residents.		X	TC
Explore designation of a Tourism Improvement District		X	TC
Research and present options to advance public-private partnerships to support parking garage and possible affordable housing new construction located on City-owned Bayside Lot 6, (corner of Somerset and Chestnut Streets) acquired by City Council through eminent domain.		X	
Update on Harbor Dredge Status and Funding		X	
Review Outdoor Dining Ordinances			PA
Explore collaboration with the school district to create a workforce program for young people who have either dropped out of high school or didn't get the chance to go to college or go through the trades training through Portland Arts and Technology High School.			PA
AFFORDABLE HOUSING POLICY AND BUDGETS			
Policy Discussion re: (1) Impacts of 2020 Referendum (Green New Deal) on housing development, (2) Guidelines and Priorities for the allocation of city resources for housing development		X	TC
Encourage developers seeking assistance through the City's Affordable Housing Development and/or TIF Programs to participate in the Section 8 Family Self Sufficiency Program.			TC

Encourage housing development that supports the Comprehensive Plan goal for development along major thoroughfares off peninsula.		X	TC
Review of FY 2023 Housing Program Budget (February)	X		
Review of 2022 Jill C. Duson Housing Trust Fund Annual Plan and the 2022 Affordable Housing Development Application (February)	X		
Host a Housing Summit (similar to one held in 2016)			PA
Review of Short Term Rental Registration Ordinances			PA
AFFORDABLE HOUSING PUBLIC - PRIVATE PARTNERSHIPS			
Review and Vote to Approve Funding Requests Received from (1) the Affordable Housing Development Applications for City Housing Trust and HOME funds and (2) Affordable Housing TIF CEA Requests. (May)	X		
Review City surplus property to sell/lease to support affordable housing		X	PA
REAL ESTATE TRANSACTIONS			
622 Auburn Street and 0 Gray Road P&S Agreement		X	
Purchase and Sale Agreement for the sale of a portion of City-owned Thames Street Property		X	

Kennebec Street Realignment (from Brattle to Forest)		X	

ANNUAL REPORTS AND ACTIONS			
Presentation of 2021 Housing Report (February)	X		
5-Year HUD Consolidated Plan and FY223 Annual Allocation Plan (Jan-April) (1) Analysis of Impediments to Fair Housing (2) Amendments to the HUD Citizens Participation Plan		X	
Presentation, Annual Overview and Integrated Report from Permitting and Inspections and Fire Department re: Short-term and Long-term Rental Housing Safety & Inspection Program - Implementation and Financial Report (April)	X		process established under previous Housing Committee
Fair Housing Month (April) Community Development Week Activities (April 18-22, 2022)	X	X	
Portland Downtown Annual Budget, Work Plan and City Agreement (May)	X		
City TIF District Annual Activity Report (November)	X		
Committee Annual Accomplishment Report (November)	X		

DRAFT
Housing & Economic Development Committee
2022 Work Plan Schedule
as of January 14, 2022

January 18, 2022

1. Finalizing Committee priorities for 2022, including housing policy/investment strategies.
2. (Public Hearing) Review and Vote to Recommend Approval to the City Council of the HUD Citizen Participation Plan
3. Executive Session: Discussion of Possible Disposition of City-owned property on Great Diamond Island.

February 1, 2022

1. Executive Session: Update on Negotiations for a Purchase and Sale Agreement for the sale of a portion of City-owned Thames Street Property. (tentative date)
2. (Public Hearing) Review and Vote to Recommend to the City Council – FY23 Housing Program Budget
3. (Public Hearing) Review and Vote to Recommend to the City Council – 2022 Jill C. Duson Housing Trust Fund Annual Plan
4. (Public Hearing) Review and Vote to Approve to Issue - Affordable Housing TIF CEA and Affordable Housing Development Fund Application for City Housing Trust and HOME Funds

February 15, 2022

1. Presentation of 2021 Housing Report
2. (Public Hearing) Review and Vote to Approve and Recommend to the City Council a Purchase and Sale Agreement for the sale of a portion of City-owned Thames Street Property. (tentative date)
3. Update from the Portland Harbor Common Working Group
4. Updated on Harbor Dredge Project Status and Funding

March 1, 2022

1. Update and Discussion on use of TIF funds to invest in workforce training and Creative Portland.

March 15, 2022

1. (Public Hearing) Review and Vote to Recommend Approval to the City Council of the Draft 5-Year HUD Consolidated Plan and FY23 HUD Annual Allocation Plan
2. (Public Hearing) Review and Recommendation Approval to the City Council of a Tourism Improvement District

April 5, 2022

1. Communication Item: Community Development Week – April 18-22/Fair Housing Month
2. Presentation, Annual Overview and Integrated Report from Permitting and Inspections and Fire Department re: Short-term and Long-term Rental Housing Safety & Inspection Program - Implementation and Financial Report

April 19, 2022

1. (Public Hearing) Review and Vote to Recommend Approval to the City Council of an Analysis of Impediments to Fair Housing.

May 3, 2022

1. (Public Hearing) Review and Vote to Approve Affordable Housing TIF CEA Applications
2. (Public Hearing) Review and Vote to Approve Funding Requests Received from the Affordable Housing Development Fund Applications for City Housing Trust and HOME Funds
3. Portland Downtown Annual Budget, Work Plan and City Agreement

May 17, 2022

1.

June 7, 2022

1.

June 21, 2022

1.

July 5, 2022

1.

July 19, 2022

1.

August 2, 2022

1.

August 16, 2022

1.

September 6, 2022

1.

September 20, 2022

1.

October 4, 2022

1.

October 18, 2022

1.

November 1, 2022

1. Review of 2022 Committee Accomplishments Annual Report – Issue to the City Council as a communication
2. City Annual TIF District Activity Report – Issue to the City Council as a communication

November 15, 2022

December – No Committee meeting

COMPLETED WORK

January 4, 2022

1. Discussion of Committee priorities for 2022, including housing policy/investment strategies.



CITY OF PORTLAND
Housing and Economic Development Department
Housing and Community Development Division

TO: Councilor Ali, Chair
Members of the Housing and Economic Development Committee

FROM: Mary Davis, Interim Housing and Economic Development Director

DATE: December 29, 2021

SUBJECT: Request for Committee Direction Regarding Housing Policy Priorities for 2022

Introduction

Staff is seeking direction from the Housing and Economic Development Committee regarding guidelines and priorities for the allocation of city resources (i.e. HOME, Jill C. Duson Housing Trust Fund, and Affordable Housing Tax Increment Financing) in 2022. The guidelines and priorities will be incorporated into the 2022 Affordable Housing Development and Tax Increment Financing Application and the 2022 Annual Plan for the Jill C. Duson Housing Trust Fund and will direct how city resources are used to support affordable housing development.

Background

The City of Portland has made the development of affordable housing a priority. To accomplish this goal the Division of Housing and Community Development uses an application process to communicate City goals, priorities, guidelines, requirements, eligibility, and criteria to ensure that public funds are utilized for maximum public benefit.

Affordability Restrictions

The chart below identifies the *2021 Affordable Housing Development and Tax Increment Financing Application* affordability restrictions associated with the each of the financial resources available to the City.

	at or below 60% AMI		over 60% to 80% AMI		over 80% to 100% AMI		over 100% to 120% AMI	
	Homeowner	Rental	Homeowner	Rental	Homeowner	Rental	Homeowner	Rental
HOME	X	X	X					
Jill C. Duson Housing Trust Fund	X	X	X	X	X	X	X	X
Affordable Housing TIF	X	X	X	X	X	X	X	X

The chart below offers a comparison of the HUD Metro Area median income and Portland Families median income. The U.S. Department Housing and Urban Development determines the HUD Metro area median income annually. As a HUD entitlement jurisdiction, the City of Portland is required to use these numbers with the CDBG and HOME Programs.

The Portland Families median income, as determined by the U.S. Census Bureau's American Community Survey (ACS) is the best comparison to the HUD Metro Area median income number. Unfortunately, 2019 is the most recent data available in the ACS.

FY 2021 Income Limit Area	Median Income	FY 2021 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Portland, ME HUD Metro FMR Area	\$99,900	HUD AMI 80% Income Limits	55,950	63,950	71,950	79,900	86,300	92,700	99,100	105,500
		PMI 80% Income Limits	49,810	56,925	64,041	71,157	76,849	82,542	88,234	93,927
		HUD 100% Income Limits	69,930	79,920	89,910	99,900	107,892	115,884	123,876	131,868
		PMI 100% Income Limits	62,262	71,157	80,051	88,946	96,062	103,177	110,293	117,409
		HUD 120% Income Limits	83,916	95,904	107,892	119,880	129,470	139,061	148,651	158,242
		PMI 120% Income Limits	74,715	85,388	96,062	106,735	115,274	123,813	132,352	140,890

* American Community Survey 2019 1-Year Estimate Table S1901

Housing Investment Priorities

The priorities below are from the *2021 Affordable Housing Development and Tax Increment Financing Application* and the *2021 Jill C. Duson Housing Trust Fund Annual Plan* and are meant to support the Affordable Housing Policy and Budget priorities noted in the 2021 Housing and Economic Development Committee Work Plan.

Priority for the use of Jill C. Duson Housing Trust Funds will be to support public/private partnerships that create workforce housing units that are affordable to households earning 60% to 100% of the area median income.

Priority for the use of HOME Program funds will be given to developments that provide rental housing units to households earning 60% of the area median income and below. Projects with mixed income targeting and a mix of bedroom size are strongly encouraged.

Priority for the use of the Affordable Housing Tax Increment Financing Program (AHTIF) will be to support projects receiving assistance through the Low Income Housing Tax Credit Program or projects that create housing units that are affordable to households earning 60% to 100% of the area median income. To comply with the AHTIF Statute's requirements, at least 33% of the housing units in the district shall be affordable housing.

Goals for the Distribution of HOME and Housing Trust Funds or the Designation of an Affordable Housing TIF District

The goals below are from the 2021 *Affordable Housing Development and Tax Increment Financing Application*.

The City of Portland seeks development projects that create contextually appropriate housing density in and proximate to neighborhood centers, concentrations of services, and transit nodes and corridors as a means of supporting complete neighborhoods. Projects should not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered). Resolution of any zoning issues is required before City Council approval of the applicants funding request. Developments should incorporate quality, sustainable design.

Eligible Project Guidelines

The guidelines below are from the 2021 *Affordable Housing Development and Tax Increment Financing Application*.

*Projects receiving HOME funding must create **rental** housing units which promote economic diversity within the development and within the neighborhood in which the development is located.*

Projects receiving Housing Trust Funds must create housing units that promote economic diversity within the development and within the neighborhood in which the development is located.

Projects receiving assistance through an AHTIF District Credit Enhancement Agreement must create housing units that promote economic diversity within the development and within the neighborhood in which the development is located

Staff Recommendation

Staff is seeking Committee direction to establish the 2022 affordability restrictions, housing investment priorities, distribution of funds goals, and project guidelines for the 2022-2023 Affordable Housing Development and Tax Increment Financing Application.

Attachments

2021 Affordable Housing Development and Tax Increment Financing Application
2021 Jill C. Duson Housing Trust Fund Annual Plan

City of Portland

Affordable Housing Development and Tax Increment Financing Application



July 1, 2021 – June 30, 2022

Applications will be accepted until all budgeted funds have been allocated.

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I. GENERAL INFORMATION

A. *Availability of Funding*

The City of Portland has made the development of affordable housing a priority, as identified in the City of Portland's 2016-2020 HUD 5-year Consolidated Plan, City Council Common Goals, and the Comprehensive Plan. To accomplish this priority, the City of Portland will accept applications for financial assistance that facilitates the development of affordable housing in the City of Portland.

Certified Community Housing Development Organizations (CHDO's) or organizations eligible for CHDO certification are strongly encouraged to apply. The HUD definition of a CHDO organization is attached as Exhibit #1 entitled Definition of a Community Housing Development Organization (CHDO).

The City of Portland's Division of Housing and Community Development uses an application process to ensure that public funds are utilized for maximum public benefit to accomplish specific objectives and provide fair access to all applicants. Applications for the development of affordable housing utilizing HOME and or Housing Trust Funds will be accepted until all budgeted funds are allocated. The City of Portland reserves the right to partially fund application requests or deny any application that does not meet the application criteria.

The approval process to establish an Affordable Housing Tax Increment Financing (AHTIF) District involves three steps. First, the City Council's Housing and Economic Development Committee provides a recommendation to the City Council regarding the establishment of an Affordable Housing TIF district. If the City Council approves the recommendation, the City submits an application to the Maine State Housing Authority. MaineHousing reviews the application from the City to ensure compliance with the Affordable Housing Tax Increment Financing Statute. The process begins with the submittal of a completed Affordable Housing Development and Tax Increment Financing application to the City of Portland. The City of Portland reserves the right to deny any application that does not meet the application criteria.

The City of Portland is making a combination of FY 2021-2022 HUD Home Investment Partnership Program (HOME) funds (which includes a mandatory set-aside for CHDO organizations or organizations eligible for CHDO certification) and local Housing Trust Funds (HTF) for Affordable Housing Development. City staff will determine which funding source is best for each project and then make funding recommendations to the City Council for final approval.

Total Funding Available: \$1,489,992

B. *General Guidelines*

Developments shall provide decent, safe and sanitary dwellings such as single-family homes, apartments, condominiums, or other living accommodations for households whose income does not exceed 120% of the median income for the area as defined by the U.S. Department of Housing and Urban Development (HUD). Affordable housing does not include facilities such as shelters, nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, student dormitories, or unattached mobile homes, regardless of income level. Projects must show that the development meets an identified

community housing need, the City's participation is financially necessary in order for the project to proceed, and the applicant has the financial capacity to support their project.

Priority for the use of Housing Trust Funds will be to support public/private partnerships that create workforce housing units that are affordable to households earning 60% to 100% of the area median income. Priority for the use of HOME Program funds will be given to developments that provide rental housing units to households earning 60% of the area median income and below. Projects with mixed income targeting and a mix of bedroom size are strongly encouraged. The minimum term of affordability depends on the funding source, but is not generally less than 30 years, and in some cases may be 90 years. The affordability term is to be secured by a declaration of covenants and restrictions recorded in the Cumberland County Registry of Deeds.

Priority for the use of the Affordable Housing Tax Increment Financing Program (AHTIF) will be to support projects receiving assistance through the Low Income Housing Tax Credit Program or projects that create housing units that are affordable to households earning 60% to 100% of the area median income. To comply with the AHTIF Statute's requirements, at least 33% of the housing units in the district shall be affordable housing. The ongoing affordability period will match the length of the term of the district. The affordability term is to be secured by a declaration of covenants and restrictions recorded in the Cumberland County Registry of Deeds. A minimum of \$500,000 in new taxable investment property value for affordable housing development is needed to qualify for an Affordable Housing TIF.

For purposes of this application and the use of Housing Trust Funding or the AHTIF, affordable means that the percentage of income a household is charged in rent and other housing expenses including utilities, or must pay in monthly mortgage payments (including real estate taxes, mortgage insurance, condominium/HOA fees, insurance and utilities), does not exceed 30% of a household's gross income, or other amount established in city regulations that does not vary significantly from this amount. See Exhibit #2 Minimum Housing Size and Maximum Allowable Rent or Purchase Price Calculation.

This application outlines the selection criteria which all projects applying for funding or establishment of an AHTIF District must meet, as well as scoring factors that will be used by the City of Portland to evaluate the applications.

C. Federal Requirements

The following requirements apply for any project that is awarded HOME or other federal funding.

Environmental Review Requirements

Projects receiving HOME funding are subject to environmental review, clearance and release of funds by the U.S. Department of Housing and Urban Development. Once an application has been submitted, to the City of Portland, the applicant cannot take any ***"choice limiting actions"*** prior to receiving notification from the City that the environmental review process, including historic preservation review and clearance, has been completed and a release of funds has been received from the U.S. Department of Housing and Urban Development. ***A Phase I ESA along with a lead and asbestos testing report is required before HUD Environmental Review Requirements can be completed.***

Choice limiting actions include, ***but are not limited to***, (1) actions having an adverse impact – e.g. demolition, dredging, filling, excavation, including soliciting bids for these activities; (2) actions limiting the choice of reasonable alternatives – e.g. execution of a legally binding agreement, signing a purchase and sale agreement, signing an option agreement that does not allow the purchaser to elect to terminate the option agreement if the property is not desirable; entering into real property acquisition (including making bids on auctioned properties), leasing, rehabilitation, demolition, environmental remediation, related site improvements, relocating buildings or structures, conversion of land or buildings/structures (including soliciting bids to undertake these activities).

Federal Labor Standards

As may be applicable, projects receiving HOME funding must ensure that they and all contractors and subcontractors meet requirements for federal prevailing wage rates specified under the Davis-Bacon Act. The Act requires all laborers and mechanics employed by contractors or subcontractors in the performance of construction work over \$2,000, financed in whole or in part with assistance received under HUD programs, shall be paid the prevailing wage as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-5). Projects that include 12 or more HOME-assisted units must meet the requirements of the Davis-Bacon Act.

Notice: Any project approved for a site-specific tax increment financing district utilizing a credit enhancement agreement must ensure that any firms employed in the construction phase of a TIF-assisted project compensate all employees the current wage rates and fringe benefits as required under applicable state prevailing wage law under 26 M.R.S. §1306, or Portland City Ordinance Ch. 33 §33-1 to 33-12, whichever is greater. STATE PREVAILING WAGE RATES MAY EXCEED DAVIS-BACON WAGE RATES.

Section 3

All HOME projects must comply with Section 3 of the Housing and Urban Development Act of 1968. Contractors and subcontractors performing work on Section 3-covered projects must provide, to the greatest extent feasible, opportunities for the employment of low- and very low-income residents of the local community and the businesses that substantially employ these persons.

Minority and Women Owned Business (MWBE) Participation

All HOME projects must complete, track and report on outreach and contracts given to women- and minority-owned businesses to ensure their inclusion, to the maximum extent possible, in the procurement of property and services. Applicants are encouraged to utilize firms certified as a Minority Business Enterprise or Woman's Business Enterprise as part of the development team. The development team members include the developer, architect, attorney, general contractor and management agent.

Lead-Based Paint

All HOME funded residential rehabilitation, adaptive re-use and construction activities must comply with 24 CFR Part 35 and Section 401(b) of the Lead-Based Paint Poisoning Prevention Act.

Access to the Internet

All new construction and substantial rehabilitation projects of multifamily rental housing will be required to provide the installation of broadband internet access to its residents to help narrow the digital divide for households in need.

Fair Housing and Equal Opportunity

[Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.) (HUD implementation regulations 24 CFR Part 1); The Fair Housing Act (42 U.S.C. 3601-3620)(24 CFR Part 100-115); Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259)(24 CFR Part 107); Age Discrimination Act of 1975, as amended (42 U.S.C. 6101)(24 CFR Part 146).]

The Fair Housing Act prohibits discrimination in all housing-related transactions based on race, color, national origin, religion, sex, disability, age or familial status. It also includes minimum accessibility design requirements for all new construction and rehabilitation projects and requires that reasonable accommodations be made in rules, policies, practices, services and reasonable structural modifications. Section 504 of the Rehabilitation Act of 1973 prohibits discrimination based on disability and requires that everyone have equal opportunity to obtain housing built with federal funds.

Affirmative Marketing

Developers must have tenant selection policies and criteria to ensure that tenants are selected for occupancy at the property in a fair and equitable manner. Tenant selection policies must be based on objective criteria that expressly prohibit bias. Tenant selection procedures should be clear and easily understood by prospective tenants. An affirmative marketing plan is required to ensure that the property serves a diverse cross-section of the population of the market area, must consist of actions to provide information and otherwise attract eligible persons in the housing market area that might not otherwise apply without special outreach, and ensure that the housing is available to qualified applicants without regard to race, color, national origin, religion, sex, disability, or familial status.

Violence Against Women Act

Developers must comply with the Violence Against Women Act (VAWA) requirements in 24 CFR §92.359 and 24 CFR Part 5, subpart L. VAWA provides protections and options for victims of domestic violence, dating violence, sexual assault and stalking.

D. Conditions for Approval

Designation of an Affordable Housing Development TIF District is subject to the following conditions.

- i. Projects must comply with the City of Portland's Tax Increment Financing Policy.
- ii. At least 25%, by area, of the real property within an Affordable Housing Development district must be suitable for residential use; be a blighted area; or in need of rehabilitation or redevelopment.
- iii. The Affordable Housing Development program must show that the development meets an identified community housing need.
- iv. The district must be primarily a residential development on which at least 33% of the dwelling units are affordable for households at or below 120% of Area Median Income (AMI) and that may be designed to be compact and walkable and to include internal open space, other common open space and one or more small-scale nonresidential uses of service to the residents of the development.

- v. *Projects approved for a site-specific tax increment financing district utilizing a credit enhancement agreement must ensure that any firms employed in the construction phase of a TIF-assisted project compensate all employees the current wage rates and fringe benefits as required under applicable state prevailing wage law under 26 M.R.S.A. §1306, or Portland City Ordinance Ch. 33, §33-1 to 33-12, whichever is greater. State prevailing wage rates may exceed Davis-Bacon wage rates. Projects that are required to meet the local TIF policy wage rate requirements and federal Davis-Bacon wage requirements must use the higher wage rate based on job classification.*

E. Goals for the Distribution of HOME and Housing Trust Funds or the Designation of an Affordable Housing TIF District

The goal for the distribution of these funds and the designation of an Affordable Housing TIF district, is to increase, preserve, and modify the overall supply of housing citywide to meet the needs, preferences and financial capabilities of all Portland residents. Development should be consistent with the City of Portland's Comprehensive Plan and the HUD Five-Year Consolidated Plan. The City of Portland seeks development projects that create contextually appropriate housing density in and proximate to neighborhood centers, concentrations of services, and transit nodes and corridors as a means of supporting complete neighborhoods. Projects should not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered). Resolution of any zoning issues is required before City Council approval of the applicants funding request. Developments should incorporate quality, sustainable design.

II. SCOPE OF SERVICES

A. General Specifications

All applications submitted for this funding must meet the following selection criteria to be considered further in the review process.

Eligible Projects

- 1) Projects receiving HOME funding must create *rental* housing units which promote economic diversity within the development and within the neighborhood in which the development is located. New construction, conversion of non-residential property to housing and rehabilitation of existing rental units that creates accessible or maintains affordable units is eligible. Projects that have previously received HOME funds are not eligible for additional HOME assistance.
- 2) Projects receiving Housing Trust Funds must create housing units that promote economic diversity with the development and within the neighborhood in which the development is located. New construction, conversion of non-residential property to housing and rehabilitation of existing units that creates or maintains affordable units is eligible.

- 3) Projects receiving assistance through an AHTIF District Credit Enhancement Agreement must create housing units that promote economic diversity with the development and within the neighborhood in which the development is located. New construction, conversion of non-residential property to housing and rehabilitation of existing units that creates or maintains affordable units is eligible
- 4) All projects must meet the affordability targets referenced in Section I.B. along with all applicable income and rent restrictions of the City's funding source (HOME, Housing Trust Fund or AHTIF Programs).
- 5) Projects must ensure that the affordable units within a mixed income development will be equal in square footage and comparable to the market rate units.
- 6) *Housing First* developments are encouraged.
- 7) Single Room Occupancy (SRO) and other supportive housing projects specifically for special needs populations are eligible under this application.
- 8) Projects receiving funding through this application must include a written occupancy policy that prohibits smoking in the units and the interior common areas of the project in addition to including a non-smoking clause in the lease for every household and making educational materials on tobacco treatment programs available to residents through the residence service coordinator, occupancy specialist, or property manager, such as the phone number for the statewide Maine Tobacco HelpLine.
- 9) Projects receiving HOME and or Housing Trust funding through this application must set aside 10% of the units in the project for individuals or families residing in a Portland shelter. The City's Health and Human Services Department would be responsible for providing referrals, providing or coordinating supportive services and financial resources to assist with monthly rent payments. A Supportive Housing Agreement between the City and the Developer would document the services and expectations. At the time of loan closing or prior to disbursement of the City's funding, the requirements would be secured by a Declaration of Covenants which will be recorded in the Cumberland County Registry of Deeds.
- 10) Projects receiving assistance through this application are encouraged to participate in the Public Housing Authority Family Self Sufficiency Program.

B. Site Information and Criteria

- 1) Site Control: Land or buildings proposed as part of a project under this application must have site control at the time the application is submitted in the form of title, purchase and sale agreement, option, long-term lease for a minimum of 90 years, or other acceptable method. At a minimum, site control must extend through December 31, 2021.
- 2) Local Approvals: Local land use approval is not required prior to submittal of the application, however approval is required before the City Council will approve the funding request or Affordable Housing TIF request. The applicant must submit an analysis of the project in relation to local land use

regulations and site feasibility, which analysis must include the completion of the Site Information and Criteria Table attached as Exhibit #3.

- 3) Applications must not require a contract or conditional zone. Resolution of any zoning issues is required before City Council approval of the applicants funding request or Affordable Housing TIF request.

C. Financial Feasibility

- 1) Financial applications must be developed in accordance with the underwriting guidelines of the primary funding source, including adequate cash flow and debt coverage ratio, and conform to the City of Portland's underwriting criteria.
- 2) Use of Funds: All projects will be reviewed for the proposed use of funds compared to other resources. Applicants must describe the proposed mortgage and security position for the City of Portland's funding. The average City investment per unit, excluding TIF financing, is approximately \$10,000. The City contribution per unit will not exceed \$18,000. This amount may be adjusted at the discretion of the City Council, only for unusual circumstances where a larger amount is the only way a project that meets other City goals is needed. In those cases, the higher cost per unit ratio must be tied to the goals outlined in the City's Comprehensive Plan.

D. Market Demand

Applicants must show that the development meets an identified community housing need, and provide an analysis and discussion of market demand justifying the need for the proposed project.

E. Applicant Capacity

All applicants must demonstrate capacity to develop, own and manage the proposed project. All applications must provide evidence of a development team with the capacity to successfully complete the project including:

- 1) Key staff members assigned to the project with the abilities and experience to successfully complete the project within the proposed timeframe.
- 2) An architect, general contractor and professionals on the team with the experience and capacity to complete the project.
- 3) A management team with qualified personnel and the capacity and experience to operate, manage and maintain the affordable rental property of size and mix of the proposed project.
- 4) Qualified staff with the capacity to perform ongoing property ownership requirements such as budgeting, tax accounting and oversight of management and maintenance.

- 5) A portfolio of current affordable housing projects that are financially sound and meeting their established goals.
- 6) Support Services: Applications containing rental units targeted to special needs populations must include commitments for support services to be provided to the residents and have in place a policy to make accessible units available when needed if units are occupied by someone that does not need the accessible features.

F. Term of Affordability

Rental housing projects funded with HOME and/or Housing Trust Funds must have a minimum affordability period of 90 years, secured by a land use restriction covenant in the deed.

Projects receiving HOME funding may be charged an annual fee to cover the actual costs of federally required HOME monitoring, per 24 CFR 92.214(b)(1)(i).

Affordable Housing TIF projects must have an affordability period that matches the term of the district and is secured by a declaration of covenants and restrictions recorded in the Cumberland County Registry of Deeds

G. Financing Terms

The following are general guidelines and the City reserves the right to adjust the terms of funding on a case-by-case basis based on changes in conventional lending and other financing sources.

The City's funding is generally in the form of soft "gap" financing. To allow for future investment in affordable and workforce housing, the City seeks to achieve a reasonable return of capital and where possible a return on investment based on the financing features of each funding request. The City allows flexibility for creativity by development teams by establishing funding terms based on the financial structure of each development project.

Funding in the form of loans may range from 30 years non-amortizing, deferred at 0% interest, to 30 year, amortizing loans based on a financial analysis of the development project. A key tool used to perform the financial analysis is the Debt Coverage Ratio (DCR). Projects with a DCR greater than or equal to 1.25 will be considered for a fully amortizing loan with a corresponding rate that either achieves a DCR of 1.15. Other DCR features are as such:

- Projects that have a DCR of less than 1.25 will be considered for interest only loans. The interest rate will be set at a percentage rate that will achieve a DCR of 1.15.
- Projects that are submitted at a DCR of 1.15 will be considered for a deferred cash flow loan.
- Grants may be considered when a project serves a substantially underserved population.
- A project with a sustained DCR greater than 1.5, after the application of a fully amortizing loan will be considered over subsidized. The funding request will be reduced to achieve a sustained DCR of no more than 1.4. This may result in the funding request being reduced to zero. Projects of this nature are candidates for private financing.

Affordable Housing TIF: During the term of the Affordable Housing District and the Development Program, tax increment revenues from the Affordable Housing District claimed by the City as captured assessed value may be used to pay authorized project costs. Authorized project costs are noted in 30-A M.R.S.A. §5249, a list of which is attached. Tax increment revenues will be paid by the City to the Project owner pursuant to a Credit Enhancement Agreement to be entered into by and between the City and the Project owner.

H. Design Compatibility

Projects must be designed to contribute to the character of their neighborhood and adhere to the following general guidelines.

Project designs:

- 1) **MUST** comply with all applicable City Codes and Ordinances, including but not limited to the City's [Green Building Ordinance](#) (Chapter 6, Article VII, Sec. 6-165, as amended by Referendum, 11-3-2020) and the [Affordable Housing Section](#) of the City's Land Use Ordinance (Chapter 14 Article 18, as amended by Referendum, 11-3-2020). **Please note** that the Green Building Ordinance may be more restrictive than the requirements in Maine Housing's Quality Standards and Procedure Manual. Applicant must provide evidence reasonably satisfactory to the City of Portland demonstrating that the project was designed, constructed and rehabilitated in accordance with the Green Building Ordinance.

PLEASE NOTE: An application for a building permit must include the documentation outlined in the Green Building Ordinance Section 6-168. A Certificate of Occupancy will not be issued until the terms of Section 6-169 of the Green Building Ordinance have been met.

- 2) Should establish a building form, scale, massing and rhythm appropriate for the surrounding neighborhood.
- 3) Should provide a quality design that, where possible, reinforces the public realm of open space, sidewalks and streets through appropriately scaled entries that orient to the street instead of interior blocks or parking lots, and incorporate porches, fenestration, landscaping, and architectural details.
- 4) **MUST** meet the accessibility requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973, and the Maine Human Rights Act for multi-family housing. Provide for universal accessibility to the extent possible.
- 5) Should provide visual and acoustical privacy between units while maximizing natural light and ventilation within units.

I. Timeframe

The applicant must describe projected dates by which commitments will be obtained; the closing will take place, construction start-up, substantial completion, final completion and occupancy. Timeframes must be

realistic and achievable. All funded projects must be able to start construction within 12 months of notice of award.

III. APPLICATION REQUIREMENTS

Complete responses to this application, should be submitted via email. Applications must be signed by an officer or employee having authority to bind the organization.

Applications must be submitted electronically to:

City of Portland: Housing and Community Development Division
 Attention: Victoria Volent
 389 Congress Street, Room 312
 Portland, ME 04101
Vvolent@portlandmaine.gov
 207-482-5028

All applicants are encouraged to apply by March 31, 2021. Those who require a conditional commitment of funds as part of other financing applications, such as the Low Income Housing Tax Credit Program, must apply no later than March 31, 2021. The City of Portland will consider applications received after March 31, 2021 if funds are available. Applicants applying after March 31, 2021 should contact the City of Portland to confirm the availability of funds prior to submitting an application.

Planning Board approval will be required before a funding award can be made. Applicants are ***highly encouraged*** to file the required Major Site Plan and Subdivision application with the Planning Department by April 1, 2021, in order to provide sufficient time for the local land use approval process to occur. Applicants should budget approximately four months from the date of application filing to Planning Board approval and submit all materials accordingly. Please be advised that timelines may be impacted based on the quality of application materials received and reviewed by the Planning Department. Please contact James Rather, Development Review Manager, at jrather@portlandmaine.gov for additional specifics on the land use approval process.

A. *Project Summary*

A narrative description of the project that includes:

- Property address;
- Tax chart, block and lot number;
- Total acreage;
- Zoning designation, including allowed uses in that zone;
- Description of municipal housing need and how the development addresses that need;
- Requested amount of Affordable Housing Development Funding;
- Description of how City's participation is financially necessary in order for the project to proceed;
- Number and type of units to be constructed or rehabilitated; (level of affordability, type of units (rental, homeownership, single-family home, condominium unit, cooperative housing, etc.), number of bedrooms in each unit with corresponding AMI level);
- Description of residential and non-residential uses in the area;

- Description of accessory uses relating to residential use, if any;
- Description of relocation plan for persons temporarily or permanently displaced by development activities;
- Description of how the development is consistent with the Comprehensive Plan
- Description of how housing and facilities in the development will be operated after completion;
- Description of planned uses of tax increment revenues from the district (AHTIF projects only);

Photographs and maps of the site and area are required.

Note: All respondents should investigate legal and zoning requirements for proposed projects prior to submission of application.

B. All Applications Must Provide The Following:

- 1) Evidence of site control
- 2) A zoning opinion from an attorney or land use professional indicating if the project meets current zoning, or if zoning amendments will be required.
- 3) Conceptual architectural and site plans
- 4) A project schedule showing critical path events and their timeframe for completion;
- 5) Map showing location of site
- 6) Corporation/partnership articles and by-laws
- 7) Organizational Chart
- 8) Organization's DUNS Number
- 9) Applicant's audits for 3 most recent years. (If audits are not available, applicant must submit 3 years of internally prepared or CPA compiled statements AND 3 years of tax returns WITH attachments).
- 10) Most recent quarterly income and expense report (management prepared)
- 11) Documentation demonstrating certification or eligibility to obtain certification as a CHDO (if seeking the CHDO funds)
- 12) A brief development team summary, including:
 - The type of organization/ownership structure and organization chart if developer is not the same legal entity as the ultimate owner of the project
 - The names of Board of Directors, Corporate Officers, or Owners, as appropriate
 - Name, title and relevant experience of individuals involved in managing the business entity and this proposed project. A copy of the 501(3)(c) exemption certification

- Brief description of similar projects completed for developer, architect, and General Contractor (if selected)
- A list of all projects currently in development with status and projected timeframe

13) A sources and uses funding statement *

14) A detailed development budget including all acquisition, construction, and soft costs, including any prefunded reserves and developer fee*. The detailed development budget should match the cost estimates for construction, signed by architect or GC, noted below.

15) Cost estimates for construction, signed by architect or GC that matches the amount in the detailed development budget.

16) **Applicant must provide evidence reasonably satisfactory to the City of Portland demonstrating that the project was designed, constructed and rehabilitated in accordance with the City's Green Building Ordinance ([Chapter 6, Article VII, Sec. 6-165](#)).**

17) For renovation projects, a capital needs assessment completed by an independent party, including their qualifications to perform such assessment.

18) Preliminary operating budget identifying rents and expenses for the first year*

19) Projected prefunded project reserves and annual contributions to reserves*Debt service coverage ratio over the 20-year operating pro forma timeline*

20) A 20-year operating pro forma for the project with inflators of 2% on income and 3% on expenses

21) Evidence of financial commitments, or explanation of the ability and timing to secure those commitments. A statement describing the applicant's capacity for and experience in raising the type of capital needed to finance projects of this size and type.

22) Projects serving special needs populations must provide evidence of commitments of support services, and a description of the service provider and funding cycle for those services

23) Applicant must include a management plan for the long-term management of the project including manager's experience and capacity.

24) An analysis and discussion of market demand justifying the need for the proposed project.

25) **For Renovation of Operational Projects (or projects with operational components), the following items are also required:**

- Relocation plan for persons temporarily or permanently displaced by the development activities
- Relocation budget
- Description of all current debt, operation subsidies, and services provided (as applicable)

- Current rent roll
- 2 years of audits for project property (if available) OR 2 years of management income and expense statements for project property
- Most recent Quarter internally prepared income and expense statement.

*Please use the Maine Housing Underwriting spreadsheet or its tax credit equivalent, if applicable.

IV. SELECTION PROCESS:

Selection criteria will be used in reviewing and scoring the applications.

A. *Point System for Evaluating and Scoring Applications (Max 100)*

Policy Objectives: Total 50 Points

Proposed use of funds to achieve the City of Portland's goals and address demonstrated need. 26 points

Maximum points will be awarded for those applications that:

1. Market Demand - 4 points
 - a. 4 points - high demand, meets the City's income targeting priority,
 - b. 1 point - moderate demand, sufficiently meets the City's income targeting priority
 - c. 0 points - does not demonstrate sufficient market demand, does not meet the City's income targeting priority
2. Zoning - 8 points
 - a. 8 points - development requires no zoning amendments or contract or conditional zone
 - b. 5 points - development requires a zoning amendment which is consistent with the City Comprehensive Plan
 - c. 0 points - development requires rezoning that is not consistent with the City's Comprehensive Plan
3. Economic diversity - 6 points
 - a. 6 points - creates housing options which promote economic diversity within the development **and** within in the neighborhood in which the development is located
 - b. 5 points – creates housing options which promote economic diversity within the neighborhood in which the development is located
 - c. 4 points – creates housing options which promote economic diversity within the development (a mixed-income development)
 - d. 0 points does not promote economic diversity
4. CHDO - 2 points
 - a. 2 points - developer and owner are both controlled by CHDO
 - b. 1 points - either developer or owner are controlled by CHDO
 - c. 0 points neither developer nor owner are controlled by CHDO
5. City Subsidy - 6 points
 - a. 6 points - investment from City is <\$10,000/unit
 - b. 5 points - investment from City is > or = \$10,000 and <\$12,000/unit
 - c. 4 points - investment from City is > or = \$12,000 and <\$14,000/unit
 - d. 3 points - investment from City is > or = \$14,000 and <\$16,000/unit
 - e. 2 points - investment from City is > or = \$16,000 and <\$18,000/unit

- f. 0 points - investment from City is $>$ or $=$ \$18,000/unit

Impact on surrounding neighborhood, including design compatibility and environmental issues. 24 points

Maximum points will be awarded for those applications where:

1. Site selection- 7 points
 - a. 7 points - fully appropriate for use, project supports Comprehensive Plan goal for development along transit nodes and corridors
 - b. 5 points - appropriate, some concerns
 - c. 0 points - significant concerns, project does not support Comprehensive Plan goal for development along transit nodes and corridors
2. Exterior Design - 5 points
 - a. 5 points - the design is fully consistent with neighborhood design characteristics,
 - b. 3 points - the design is an adequate fit with the neighborhood design,
 - c. 0 points - the design is a significant outlier
3. Amenities and unit design - 7 points
 - a. 7 points - amenities & unit design are well thought out and appropriate for residents,
 - b. 5 points - amenities & unit design are adequate,
 - c. 0 points - amenities and unit design raise significant concerns that resident needs will not be adequately addressed
4. Environmental - 5 points
 - a. 5 points - Phase I identifies no environmental issues
 - b. 3 points - Phase I identifies an environmental issue, but a Phase II shows a feasible, economically viable resolution which is included in the budgets;
 - c. 0 points - there are significant unresolved environmental issues, or no Phase I has been received.

Underwriting Criteria: Total 50 Points

Financial feasibility, including cost, development budget operating pro forma and the provision of secured and leverage funds. 20 points

Maximum points will be awarded for those applications that:

1. Development budget & sources and uses - 10 points
 - a. 10 points - EVERY development budget line item for which there is a City of Portland guideline complies with that guideline AND all other line items are reasonable and customary;
 - b. 8 points - ONE budget line item falls outside City guidelines or outside the standard of “reasonable & customary”;
 - c. 6 points - TWO budget line items item falls outside City guidelines or outside the standard of “reasonable & customary”;
 - d. 0 points - more than two budget items fail to meet City guidelines or fall outside “reasonable and customary”
2. Operating pro forma – 10 points
 - a. 10 points - EVERY operating pro forma line item for which there is a City of Portland guideline complies with that guideline AND all other line items are reasonable and customary;

- b. 8 points - ONE budget line item falls outside City guidelines or outside the standard of “reasonable & customary”;
- c. 6 points - TWO budget line items item falls outside City guidelines or outside the standard of “reasonable & customary”;
- d. 0 points - more than two budget items fail to meet City guidelines or fall outside “reasonable and customary”

Applicant's ability to complete project, including development team experience, capacity, project readiness and timeframe for completion. 30 points

Maximum points will be awarded for those applications that:

1. Readiness to proceed - 10 points
 - a. 10 points - at least one letter of commitment or interest is included and ALL projected sources are projected at terms and conditions consistent with the City’s prior experience with the funder.
 - b. 5 points - ALL projected sources of funding include letters of commitment, letters of interest, or, if no letter is included, are projected at terms and conditions consistent with the City’s prior experience with this funder.
 - c. 0 points - one or more sources are projected on terms that are not consistent with the City’s prior experience with the funder and are not documented by letter(s) from funder(s).
2. Track record of development team - 10 points
 - a. 10 points - every development team member has a successful track record with this type of project and at this scale
 - b. 7 points - all but one development team members have a successful track record with this type of project and at this scale; one development team member has relevant experience but at a smaller scale or not of this project type
 - c. 3 points - two development team members, while having relevant experience, are new to this type of project or this scale of development
 - d. 0 points - the development team does not meet the criteria above
3. Current Capacity of development team - 10 points
 - a. 10 points - development team members have exceptional depth of human and financial resources to complete this project;
 - b. 8 points - development team members have the human and financial resources to complete this project;
 - c. 3 points - development team has a staffing gap in a significant role and a plan to address that gap, OR there are some concerns about the financial resources of the team to move the development forward;
 - d. 0 points - the development team does not meet the criteria described above

B. Evaluation and Selection Process and Timeframe:

Applications will be reviewed by an evaluation team that will include City of Portland staff. The following process will be used:

- 1) All applications will be reviewed for completeness. Only complete applications will be reviewed under the scoring factors in order to recommend the most qualified applications based

on the information submitted. The application review team may confer with the applicants and/or third parties to clarify or verify information and request additional information.

- 2) Recommendations, along with all applications and scoring information, will be forwarded to the City Council's Housing Committee for review and approval. Their recommendations will be forwarded to the City Council for final review and approval.
- 3) Applicants will be kept informed throughout the review process, specifically in regard to recommendations and funding levels.
- 4) The evaluation and review process should be substantially complete within 30 days of receipt of complete application. Applicants will be notified of their application status as soon as possible.
- 5) Based on City Council approval, successful applicants will receive a letter of funds reservation. A letter of funds reservation is not a commitment letter but an agreement to set aside budgeted funds for up to six months, to allow the project sponsor to proceed with securing other commitments.

V. Instructions and Other Information

The City of Portland reserves the right, at its sole discretion, to award all, a portion, or none of the available funding from this application, as well as reject any and all applications for city funding, based on the quality and merits of the applications received, or when it is determined to be in the public interest to do so. Furthermore, the City of Portland may extend deadlines and timeframes, as needed.

Confidentiality: Applications received by the City of Portland shall become a matter of public record subject to public inspection, except to the extent, which an applicant designates in writing, proprietary data to be confidential and submits that data under separate cover, such information may be held from public inspection, as provided in Maine law: 5 MRSA Sections 13119-A and 13119-B.

Compliance with Federal Law: The selected applicant will be required to certify that the development and management of the proposed housing will be in compliance with all applicable laws, executive orders, OMB Circulars and federal regulations, including but not limited to: Fair Housing Act, Equal Opportunity and Non-discrimination, National Environmental Policy Act (NEPA), the Uniform Relocation Assistance and Real Property Acquisition Policies Act, the Davis-Bacon Act, the Lead-Based Paint Poisoning Prevention Act, Flood Disaster Protection Act, Conflict of Interest, Contractor Debarment and Cost Principles.

Projects funded through HOME must meet the rules and regulations of the HOME Program as noted in 24 CFR Part 92, as amended, and the requirements of the Consolidated and Further Continuing Appropriations Act of 2012 and 2013. Any costs incurred by the City to meet HOME Program regulations, such as newspaper advertisements, underwriting fees, etc., shall be passed along to the selected applicant.

VI. Equal Employment Opportunities

Vendor shall comply fully with the Nondiscrimination and Equal Opportunity Provisions of the Workforce Investment Act of 1998, as amended (WIA, 29 CFR part 37); the Nontraditional Employment for Women Act of 1991; title VI of the Civil Rights Act of 1964, as amended; section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR part 37.

VII. Reservation of Rights

The City of Portland reserve the right, at its sole discretion, to award all, a portion, or none of the available funding from this application, as well as reject any and all applications based on the quality and merits of the applications received, or when it is determined to be in the public interest to do so. Furthermore, the City of Portland may extend deadlines and timeframes, as needed.

The selection of a proposal through this application process does not guarantee any other City approvals. All projects will be subject to the City's standard development review process. Similarly, *selection of a proposal through this application process does not signify that the City will not request modifications to the proposed development plan or negotiate additional details, covenants or terms that are not specifically outlined in this application.*

The City of Portland reserves the right to substantiate any proposers' qualifications, capability to perform, availability, past performance records and to verify that the applicant is current in its financial obligations to the City of Portland.

All materials and equipment used as well as all methods of installation shall comply at a minimum with any and all Federal, OSHA, State and/or local codes, including applicable municipal ordinances and regulations.

The successful applicant shall agree to defend, indemnify and save the City of Portland harmless from all losses, costs or damages caused by its acts or those of its agents, and, before signing the contract, will produce evidence satisfactory to the City of Portland's Corporation Counsel of coverage for General Public and Automobile Liability insurance in amounts not less than \$400,000 per person, for bodily injury, death and property damage, protecting the contractor and the City of Portland, and naming the City of Portland as an additional insured from such claims, and shall also procure Workers' Compensation insurance.

Pursuant to City of Portland procurement policy and ordinance, the City of Portland is unable to contract with businesses or individuals who are delinquent in their financial obligations to the City of Portland. These obligations may include but are not limited to real estate and personal property taxes and sewer user fees. Applicants who are delinquent in their financial obligations to the City of Portland must do one of the following: bring the obligation current, negotiate a payment plan with the City of Portland's Treasury

office, or agree to an offset which shall be established by the contract which shall be issued to the successful applicant.

The City of Portland, Maine, reserves the right to waive any informalities in applications, to accept any application or portion thereof, and, to reject any and all applications, should it be in the best in the best interest of the City of Portland to do so.

It is the custom of the City of Portland, Maine to pay its bills 30 days following the receipt of correct invoices for all items covered by the approved application.

VIII. APPLICATION SIGNATURE PAGE *THIS PAGE MUST BE INCLUDED*

The UNDERSIGNED hereby declares that he/she or they are the only person(s), firm or corporation interested in this application as principal, that it is made without any connection with any other person(s), firm or corporation submitting an application for the same.

The UNDERSIGNED hereby declares that they have read and understand all conditions as outlined in the invitation for bids, and that their application is made in accordance with same.

The UNDERSIGNED hereby declares that any person(s) employed by the City of Portland, Maine, who has direct or indirect personal or financial interest in this application or in any portion of the profits that may be derived there from, has been identified and the interest disclosed by separate attachment. (Please include in your disclosure any interest which you know of. An example of a direct interest would be a City of Portland employee who would be paid to perform services under this application. An example of indirect interest would be a City of Portland employee who is related to any officers, employees, principal or shareholders of your firm or to you. If in doubt as to status or interest, please disclose to the extent known).

The proposer acknowledges the receipt of Addenda numbered _____
If Applicable

COMPANY NAME: _____
(Individual, Partnership, Corporation, Joint Venture)

AUTHORIZED SIGNATURE: _____ DATE: _____
(Officer, Authorized Individual or Owner)

PRINT NAME & TITLE: _____

ADDRESS: _____

TELEPHONE: _____ E-MAIL: _____

FEDERAL TAX ID #: _____ DUNS #: _____

TOTAL HOME/HTF FUNDING REQUEST: \$ _____
DOES YOUR APPLICATION INCLUDE A REQUEST FOR AFFORDABLE HOUSING TAX INCREMENT FINANCING? ☐ Yes ☐ No

Is your organization planning to apply for LIHTC for this project? ☐ Yes ☐ No

If yes, what is your expected score with:

Full HOME/HTF request: _____ \$100,000 HOME/HTF funds: _____ No HOME/HTF funds: _____

In your organizations preceding completed fiscal year, did the organization receive:

(1) 80 percent or more of its annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; and

(2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements? ☐ Yes ☐ No

Does the public have access to information about the compensation of the executives in the organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (18 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986? ☐ Yes ☐ No

NOTE: All bids must bear the handwritten signature of a duly authorized member or employee of the organization making the bid. **This sheet must be signed and returned with the application package.**

IX. Appendices

Exhibit #1. HUD definition of a Community Housing Development Organization (CHDO)

Exhibit #2. Maximum Allowable Sale Price of affordable homeownership units

Exhibit #3. Site Information and Criteria Table

EXHIBIT #1 – DEFINITION OF A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (24 CFR §92.2 and §92.300-303)

1. Is a private nonprofit organization under State or local laws;
2. Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:
 - i. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
 - ii. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for profit entity may not appoint the remaining two-thirds of the board members; and
 - iii. The community housing development organization must be free to contract for goods and services from vendors of its own choosing;
 - iv. The officers and employees of the for-profit entity may not be officers or employees of the community housing development organization;
4. Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1 or 1.501(c)(4)-1)), is classified as a subordinate of a central non-profit under section 905 of the Internal Revenue Code of 1986, or if the private nonprofit organization is a wholly owned entity that is disregarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly owned by an organization that qualifies as tax-exempt), the owner organization has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 and meets the definition of “community housing development organization”;
5. Is not a governmental entity (including the participating jurisdiction, other jurisdiction, Indian tribe, public housing authority, Indian housing authority, housing finance agency, or redevelopment authority) and is not controlled by a governmental entity. An organization that is created by a governmental entity may qualify as a community housing development organization; however, the governmental entity may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of governmental entity. Board members appointed by a governmental entity may not appoint the remaining two thirds of the board members. The officers or employees of a governmental entity may not be officers or employees of a community housing development organization;
6. Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems;"

7. Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or bylaws;
8. Maintains accountability to low-income community residents by:
 - i. Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and
 - ii. Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;
9. Has a demonstrated capacity for carrying out housing projects assisted with HOME funds. A designated organization undertaking development activities as a developer or sponsor must satisfy this requirement by having paid employees with housing development experience who will work on projects assisted with HOME funds. For its first year of funding as a community housing development organization, an organization may satisfy this requirement through a contract with a consultant who has housing development experience and will advise and train appropriate key staff of the organization. An organization that will own housing must demonstrate capacity to act as owner of a project and meet the requirements of §92.300(a)(2). A nonprofit organization does not meet the test of demonstrated capacity based on any person who is a volunteer or whose services are donated by another organization; and
10. Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.

EXHIBIT #2 – MINIMUM HOUSEHOLD SIZE AND MAXIMUM ALLOWABLE RENT OR PURCHASE PRICE CALCULATION

The Minimum household size for a unit is based on the number of bedrooms in the unit, as set forth in the table below. The maximum allowable rent or purchase price for a unit is based on the minimum household size less other housing related expenses such as utilities, condominium/HOA fees, mortgage insurance, insurance or real estate taxes.

	Studio/One-Bedroom Unit	Two-Bedroom	Three-Bedroom	Four-Bedroom
Minimum Household Size	1	2	3	4

The monthly payment for a home ownership unit is based on 30% of gross monthly income for a household earning 110% of the Area Median Income (AMI) less housing related expenses.

The monthly payment for a rental unit is based on 30% of gross monthly income for a household earning 100% of the Area Median Income less housing related expenses.

For Example, utilizing 2020 AMI levels the maximum allowable monthly rent would be as follows:

Studio/One Bedroom Unit: $1/12(0.30 \times \$70,630) = \$1,765.75$ less housing related expenses

Two Bedroom Unit: $1/12(0.30 \times \$80,720) = \$2,018.00$ less housing related expenses

Three Bedroom Unit: $1/12(0.30 \times \$90,810) = \$2,270.25$ less housing related expenses

EXHIBIT #3 – SITE INFORMATION AND CRITERIA TABLE**Site Information and Criteria**

Project Address _____

Current Zone _____

Proposed Zone (if applicable) _____

	REQUIRED	PROPOSED
Lot Size		
Area Per Dwelling Unit		
Minimum Street Frontage		
Front Yard Minimum		
Front Yard Maximum		
Rear Yard		
Yard Right		
Yard Left		
Side Street Setbacks		
Step Back		
Maximum Lot Coverage		
Minimum Lot Coverage		
Maximum Height		
Off-Street Parking Spaces		

For mixed income development projects, please complete:

Square footage of affordable units: _____

Square footage of market rate units: _____

THE JILL C. DUSON HOUSING TRUST FUND
2021 ANNUAL PLAN

BACKGROUND

The Jill C. Duson Housing Trust Fund (also referred to as Housing Trust Fund or HTF) is established by Section 18.3 of the City's Code of Ordinances. Section 18.3.4 states that "each fiscal year the city council shall adopt a housing trust fund annual plan" and that the "housing committee of the city council or such other committee as the council shall designate shall conduct public hearings on the recommended plan and refer the matter to the council for action."

The Annual Plan will establish the priorities in which the current balance of the Housing Trust Fund will be allocated. The plan is in line with the 2021 City Council Common Goals, including "Increase access to rental and home ownership housing that is safe, affordable, and accessible, with emphasis on elders and covid-related market conditions."

This budget is based on the balance in the Housing Trust Fund as of February 2, 2021. Currently, Housing Trust Fund revenue is generated from fees triggered by the Housing Preservation and Replacement Ordinance, a portion of revenue from the Short Term Rental Registration Program, fee-in-lieu contributions from the Inclusionary Zoning Ordinance (including the hotel inclusionary zoning fees), and other funding resources under Council consideration. The current unencumbered balance of the Housing Trust Fund is \$1,455,975. Anticipated increases in revenue as a result of the Inclusionary Zoning Ordinance and other sources being considered by the City Council are not included in the 2021 Annual Plan.

Sources and Uses of Housing Trust Fund:

YEAR	DEPOSITS	YEAR	EXPENDITURES	
2002/03	Maine Medical Center HRO	\$ 315,580.00	2011 Avesta Oak Street Lofts	\$ (380,585)
2002	Sportsman's Grill HRO	\$ 40,000.00	2014 Housing First Pre-Development RFP	\$ (75,000)
2009	Berlin City Auto HRO	\$ 116,000.00	2015 65 Hanover & 52 Alder Sts Feasibility Study	\$ (9,250)
2010	Stop n Shop HRO 2010	\$ 289,250.00	2017 65 Munjoy Street	\$ (175,000)
2012	Rockbridge/Eastland Park HRO	\$ 42,500.00	2019 60 Parris Terr. Downpayment Assistance	\$ (24,000)
2012	Riverwalk/Ocean Gateway HRO	\$ 250,000.00	2018 37 Front Street (not yet spent)	\$ (925,000)
2012	118 Congress LLC Easement	\$ 3,500.00	2018 977 Brighton Avenue	\$ (300,000)
2017	91 & 97 Belfort Street (sale of TAP)	\$ 86,423.99	2019 83 Middle Street (not yet spent)	\$ (136,734)
2017	116 Upper A Street (sale of TAP)	\$ 78,526.74	2019 18 Luther Street (not yet spent)	\$ (36,000)
2017	443 Congress Street IZ	\$ 280,000.00	2020 200 Valley Avenue (not yet spent)	\$ (497,455)
2018	62 India Street IZ	\$ 276,500.00	2020 337 Cumberland Avenue (not yet spent)	\$ (500,000)
2018	Short Term Rental Fee transfer	\$ 33,138.80	2020 Affordable Rental Housing Incentive Program	\$ (1,000)
2018	0 Thames Street (WEX) sale	\$1,000,000.00	Total Expenditures	\$ (3,060,024)
2019	20 Thames Street IZ & Easement	\$ 270,000.00		
2019	20 Thames Street (for balcony overhang)	\$ 7,500.00		
2019	Short Term Rental Penalties	\$ 15,200.00		
2019	Short Term Rental Fee transfer	\$ 176,118.00		
2019	56 Hampshire Street Easement fee	\$ 12,123.00		
2019	17 Sumac Street (sale of TAP)	\$ 79,617.86		
2019	121 Middle Street (HOTEL IZ)	\$ 41,866.00		
2020	99 Capisic Street (sale of TAP)	\$ 163,168.93		
2020	Short Term Rental Penalties	\$ 7,700.00		
2020	Short Term Rental Fee transfer	\$ 122,694.50		
2020	22 Bramhall (MMC overhang)	\$ 3,799.00		
2020	50 Monument Square	\$ 222,789.00		
2020	121 Middle Street (HOTEL IZ)	\$ 30,448.00		
2020	Order 89 20/21 Appropriation	\$ 500,000.00		
	Previous INTEREST EARNED	\$ 51,555.81		
	Total Deposits	\$4,515,999.63	BALANCE	\$ 1,455,975.63

HRO - Housing Replacement Ordinance; IZ = Inclusionary Zoning Fee-in-lieu; TAP = Tax Acquired Property
as of 2-2-21

City Ordinance requires that the Housing Trust Fund Annual Plan include a description of the programs to be funded, a budget for each program and identify how the funds will be distributed among very-low (at or below 50% of the area median income), low (at or below 80% of the area median income) and moderate income (at or below 120% of the area median income) households.

The Housing Trust Fund is a valuable tool that can assist the City in meeting the goal of providing increased availability in all segments of the housing market. While the City has other resources such as the HUD HOME and CDBG Programs, those funds are limited in amount and scope. The proposed Housing Program budget for FY 2021-2022 includes \$534,017 in HOME funding for affordable housing development. The HOME program restricts rental housing assistance to households at or below 60% of the area median income and home ownership assistance to households at or below 80% of the area median income. The CDBG program is restricted to households at or below 80% of the area median income; new construction of housing is not an eligible CDBG activity. City Ordinance allows the Housing Trust Fund to assist households at or below 120% of area median income.

As always, the City should act prudently when deciding to invest these funds. The Housing Trust Fund should maintain a minimum balance of \$500,000 in order to have resources to act quickly when there is an emergency, such as a need to cure a potential mortgage default that could result in loss of an affordable unit. This right to cure will be included in the affordable housing covenants that are recorded in the Cumberland County Registry of Deeds for each affordable unit.

FUNDING PRIORITIES

The purpose of the Housing Trust Fund is the “...promotion, retention and creation of an adequate supply of housing, particularly affordable housing, for all economic groups and to limit the net loss of housing units in the City.” and “To serve as a vehicle for addressing very low, low and median income housing needs...”. In an effort to ensure that these purposes are met, the Housing Trust Fund Annual Plan may identify specific priorities that support other city goals and priorities, for example goals from the Comprehensive Plan or the City Council Common Goals.

2021 Priorities:

- Public/private partnerships that create housing units that are affordable to households earning 60% to 100% of the area median income.
- Housing development that supports the Comprehensive Plan goal for development along transit nodes and corridors.
- Encourage developers to participate in the Public Housing Authority’s Family Self Sufficiency Program.

Allocation Process

Housing Trust Funds will be distributed through a competitive application process. A Notice of Funding Availability will be issued at a minimum of an annual basis to notify potential applicants that the application is available. Applications will be reviewed by an evaluation team of City of Portland staff who will evaluate and score each application utilizing the scoring factors outlined in Attachment #1 in order to recommend the most qualified application based on the

information submitted. This information will also be included in the Affordable Housing Development and Tax Increment Financing Application.

Recommendations will be forwarded to the City Council's Housing and Economic Development Committee for review. Housing and Economic Development Committee recommendations will be forwarded to the City Council for final review and approval.

Eligible Activities

Activities eligible for funding from the Housing Trust Fund are those that promote, retain, and create an adequate supply of housing, particularly affordable housing for all economic groups, and to limit the net loss of housing units in the city. Eligible activities may include: new construction, preservation/rehabilitation of existing affordable housing, adaptive reuse, acquisition, and housing first.

In this Plan, adaptive reuse is defined as creating housing in an existing building that was originally built or designed for a use other than housing.

Housing Trust Fund resources are also intended to promote the retention of affordable housing. Staff recommends that Housing Trust Fund resources be made available, if necessary, to exercise the City's right of first refusal in connection with potential foreclosure issues with affordable homeownership units. This is unlikely to occur in the near future but may come up as more workforce homeownership units are created through Portland's inclusionary zoning ordinance. The City shall have a right of first refusal if an affordable unit is forced to sell due to increased fees or has become delinquent in its payments and is in risk of foreclosure or any other legal threats to the Unit's affordability restrictions. The City shall also have the option of using City funds to support affordable units facing large special assessments that may pose a risk to the owner household's ability to maintain their unit's affordability. The City of Portland shall have the right of first refusal to purchase any affordable unit that is in jeopardy of losing its affordability restrictions due to foreclosure, delinquency of condominium fee payments, or any other cause outside of the agreed upon term of restriction. The City's Right of First Refusal is not intended to infringe upon the ability of a mortgage lender to recapture any money owed by the affordable unit owner. The intent is to ensure affordability of the unit for eligible households.

Financing Parameters

Housing Trust Funds should be a resource of last resort and should be focused on opportunities where other funding sources do not work or are not effective. Applicants requesting financial assistance from the Housing Trust Fund must provide document efforts made to obtain other private, federal, state or local resources for the project.

Form of Awards: A variety of funding mechanisms will be utilized including no-interest loans, below-market loans, forgivable loans, and grants. Type of funding will be determined after review of a number of factors including amount necessary to make the project feasible, the project type, income targeting, number of affordable units, and duration of the affordability period.

Maximum Award Amount: Awards will be determined on a per affordable unit basis. The average City investment per unit, excluding TIF financing, is approximately \$10,000. The City contribution per unit will not exceed \$18,000. This amount may be adjusted at the discretion of the City Council, only for unusual circumstances where a larger amount is the only way a project that meets other City goals is needed. In those cases, the higher cost per unit ratio must be tied into the goals outlined in the City's Comprehensive Plan.

Income Targeting

Housing Trust Fund resources should be focused on opportunities where other funding sources do not work or are not effective, such as projects designed to create housing affordable to households earning at or below 50% of the area median income, or projects designed to create housing affordable to households earning 60% to 100% of the area median income. Often, other funding sources, such as the Low Income Housing Tax Credit Program or the HOME Program, have restrictions or requirements that limit or prohibit the creation of housing affordable to those in the very low and moderate income ranges.

Affordable means that the percentage of income a household is charged in rent and other housing expenses, or must pay in monthly mortgage payments (including insurance and taxes), does not exceed 30% of a household's income, or other amount established in city regulations that does not vary significantly from this amount.

Affordability Restrictions

Affordability restrictions are required. In the case of rental or cooperative units, the units must remain affordable for the life of the housing unit, which is presumed to be a minimum of thirty (30) years but may be longer. In the case of ownership housing, the units must remain affordable for the longest feasible time while maintaining an equitable balance between the interests of the owner and the interest of the City of Portland. These restriction must be documented and recorded in the Cumberland County Registry of Deeds

Sales must be made through an arms-length arrangement. No employee, agent, stockholder, officer, director, servant, or family member of the Owner or its Management Company, or its employees, agents, or servants thereof, related either by blood, marriage, or operation of law may qualify for a unit financed with Housing Trust Funds or receive any benefit related in any way to the administration or compliance with the conditions contained therein.

Affordable Housing Agreement

The owner of each affordable unit will be required to sign and record in the Cumberland County Registry of Deeds an Affordable Housing Agreement (AHA) with the City and to include the affordability restrictions as a covenant to the project's deed. The Affordable Housing Agreement shall be referenced directly in the property's deed unless prohibited by federal, state, or local law. In order to guarantee affordability in homeownership units, this recorded covenant will limit increases in sales price according to the calculation defined by the City as defined in the implementation regulations. It will limit the incomes of subsequent buyers to the same income limits initially applied. It will also provide a right of first refusal and other purchase rights to the City or its designee (e.g. another eligible household, or a nonprofit corporation).

Right of First Refusal

The City of Portland shall have the right of first refusal to purchase any affordable unit that is in jeopardy of losing its affordability restrictions due to foreclosure, delinquency of condominium fee payments, or any other cause outside of the agreed upon term of restriction. The City's Right of First Refusal is not intended to infringe upon the ability of a mortgage lender to recapture any money owed by the affordable unit's owner. The intent is to ensure affordability of the unit for eligible households.

Implementing Regulations

Regulations to further specify the details of the parameters outlined in this Annual Plan, maybe developed, including, but not limited to:

1. Specific methodology for income verification; and
2. Underwriting criteria.

Attachments

#1 Point System for Evaluating and Scoring Applications

Attachment #1

Point System for Evaluating and Scoring Applications (Max 100)

Policy Objectives: Total 50 Points

Proposed use of funds to achieve the City of Portland's goals and address demonstrated need. 26 points

Maximum points will be awarded for those applications that:

1. Market Demand - 4 points
 - a. 4 points - high demand, meets the City's income targeting priority,
 - b. 1 point - moderate demand, sufficiently meets the City's income targeting priority
 - c. 0 points - does not demonstrate sufficient market demand, does not meet the City's income targeting priority
2. Zoning - 8 points
 - a. 8 points - development requires no zoning amendments or contract or conditional zone
 - b. 5 points - development requires a zoning amendment which is consistent with the City Comprehensive Plan
 - c. 0 points - development requires rezoning that is not consistent with the City's Comprehensive Plan
3. Economic diversity - 6 points
 - a. 6 points - creates housing options which promote economic diversity within the development **and** within in the neighborhood in which the development is located
 - b. 5 points – creates housing options which promote economic diversity within the neighborhood in which the development is located
 - c. 4 points – creates housing options which promote economic diversity within the development (a mixed-income development)
 - d. 0 points does not promote economic diversity
4. CHDO - 2 points
 - a. 2 points - developer and owner are both controlled by CHDO
 - b. 1 points - either developer or owner are controlled by CHDO
 - c. 0 points neither developer nor owner are controlled by CHDO
5. City Subsidy - 6 points
 - a. 6 points - investment from City is <\$10,000/unit
 - b. 5 points - investment from City is > or = \$10,000 and <\$12,000/unit
 - c. 4 points - investment from City is > or = \$12,000 and <\$14,000/unit
 - d. 3 points - investment from City is > or = \$14,000 and <\$16,000/unit
 - e. 2 points - investment from City is > or = \$16,000 and <\$18,000/unit
 - f. 0 points - investment from City is > or = \$18,000/unit

Impact on surrounding neighborhood, including design compatibility and environmental issues. 24 points

Maximum points will be awarded for those applications where:

- 1) Site selection- 7 points
 - i) 7 points - fully appropriate for use, project supports Comprehensive Plan goal for development along transit nodes and corridors
 - ii) 5 points - appropriate, some concerns
 - iii) 0 points - significant concerns, project does not support Comprehensive Plan goal for development along transit nodes and corridors
- 2) Exterior Design - 5 points

- i) 5 points - the design is fully consistent with neighborhood design characteristics,
 - ii) 3 points - the design is an adequate fit with the neighborhood design,
 - iii) 0 points - the design is a significant outlier
- 3) Amenities and unit design - 7 points
 - i) 7 points - amenities & unit design are well thought out and appropriate for residents,
 - ii) 5 points - amenities & unit design are adequate,
 - iii) 0 points - amenities and unit design raise significant concerns that resident needs will not be adequately addressed
- 4) Environmental - 5 points
 - i) 5 points - Phase I identifies no environmental issues
 - ii) 3 points - Phase I identifies an environmental issue, but a Phase II shows a feasible, economically viable resolution which is included in the budgets;
 - iii) 0 points - there are significant unresolved environmental issues, or no Phase I has been received.

Underwriting Criteria: Total 50 Points

Financial feasibility, including cost, development budget operating pro forma and the provision of secured and leverage funds. 20 points

Maximum points will be awarded for those applications that:

- 1. Development budget & sources and uses - 10 points
 - a. 10 points - EVERY development budget line item for which there is a City of Portland guideline complies with that guideline AND all other line items are reasonable and customary;
 - b. 8 points - ONE budget line item falls outside City guidelines or outside the standard of “reasonable & customary”;
 - c. 6 points - TWO budget line items item falls outside City guidelines or outside the standard of “reasonable & customary”;
 - d. 0 points - more than two budget items fail to meet City guidelines or fall outside “reasonable and customary”
- 2. Operating pro forma – 10 points
 - a. 10 points - EVERY operating pro forma line item for which there is a City of Portland guideline complies with that guideline AND all other line items are reasonable and customary;
 - b. 8 points - ONE budget line item falls outside City guidelines or outside the standard of “reasonable & customary”;
 - c. 6 points - TWO budget line items item falls outside City guidelines or outside the standard of “reasonable & customary”;
 - d. 0 points - more than two budget items fail to meet City guidelines or fall outside “reasonable and customary”

Applicant's ability to complete project, including development team experience, capacity, project readiness and timeframe for completion. 30 points

Maximum points will be awarded for those applications that:

- 1. Readiness to proceed - 10 points
 - a. 10 points - at least one letter of commitment or interest is included and ALL projected sources are projected at terms and conditions consistent with the City’s prior experience with the funder.

- b. 5 points - ALL projected sources of funding include letters of commitment, letters of interest, or, if no letter is included, are projected at terms and conditions consistent with the City's prior experience with this funder.
 - c. 0 points - one or more sources are projected on terms that are not consistent with the City's prior experience with the funder and are not documented by letter(s) from funder(s).
- 2. Track record of development team - 10 points
 - a. 10 points - every development team member has a successful track record with this type of project and at this scale
 - b. 7 points - all but one development team members have a successful track record with this type of project and at this scale; one development team member has relevant experience but at a smaller scale or not of this project type
 - c. 3 points - two development team members, while having relevant experience, are new to this type of project or this scale of development
 - d. 0 points - the development team does not meet the criteria above
- 3. Current Capacity of development team - 10 points
 - a. 10 points - development team members have exceptional depth of human and financial resources to complete this project;
 - b. 8 points - development team members have the human and financial resources to complete this project;
 - c. 3 points - development team has a staffing gap in a significant role and a plan to address that gap, OR there are some concerns about the financial resources of the team to move the development forward;
 - d. 0 points - the development team does not meet the criteria described above